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Daily Report

Latin America

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FBIS-LAT-95-206 *25 October 1995*

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Cuba

Additional Reportage on Fidel Castro's New York Visit

Castro Addresses Puerto Rican Community

PA2410155495 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Oct 95

[Statements by President Fidel Castro during a meeting with the Puerto Rican community in the Bronx, New York, on 23 October; from the "Doing Radio" newscast — recorded]

[FBIS Translated Text] During a solidarity meeting last night here in the Bronx, New York, Fidel reacted to the statements by Democratic Congressman Jose Serrano by saying that he and the delegation he is heading are very encouraged by the welcome and support received. He said:

[Begin Castro recording] I think that before continuing I must clarify this serious problem regarding the Big Leagues because [words indistinct] that you support team Cleveland and I have been frequently interviewed over the television and by reporters and some of them, virtually all of them mentioned it. It there anything strange about this? If there is something that U.S. citizens know about me is that I like baseball. I like many other sports, but every visiting U.S. citizen brings me a baseball, a glove, a bat, or a book containing the biography of a great star or the biography of many [words indistinct], but I am identified — and this is good — as a sportsman, as a baseball fan.

Today, I received a bat and a ball [passage indistinct] virtually a museum with all those items. During a television show I was asked: Which team do you support? That should not be done. [Passage indistinct] Uruguay, Bariloche, at a summit in which heads of state of Ibero-America delivered speech after speech, and I have had no time to read any news dispatches or newspapers, I am not talking about my speeches but those of the others, because I amuse myself with my own speeches.

And in the meantime, the others are bored although, as you know, I hold the Olympic championship for being the individual who delivers the shortest speeches when summits are involved, and when they limit speeches to under six or five minutes, in Bariloche I was over (?in less than) three minutes. That is a record of records. (?Seven) minutes in Cartagena and six minutes at the UN Summit because I read a little slower to emphasize certain things.

Thus, during the interviews, I was asked these questions and I was caught off guard. Had I known that you the [word indistinct] support Cleveland I would have said, look: Do not get me involved in those problems. I remembered that I was a friend of [passage indistinct] in favor of those of the Atlanta Braves. Today, I was asked this again and I said: You will make me fight with friends in this country not for political reasons, but for sports reasons. Well, I also made a choice but [words indistinct]. Someone told me: Look, a Cleveland player scored two home runs and struck out someone in first base; I forgot who. He is a hero and I think that he is Puerto Rican.

Thus, I clarify this issue. I hope that you will be understanding and forgiving with me. [Passage indistinct] a good Cuban athlete [words indistinct] plays here with you. Well, everything has a solution, right? One has to get who knows how many permits but our goodwill will never be absent in that case. [end recording] [Castro and audience laugh, audience applauds throughout]

Meets With Andorran Leader, Puerto Ricans

PA2510035595 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Oct 95

[Report by Carlos Sanabria Marrero from New York in the "National Radio News" newscast]

[FBIS Translated Text] President Fidel Castro today is involved in another day of intense activities as part of his visit to the United States to attend the 50th anniversary of the United Nations. Carlos Sanabria Marrero reports from New York that right now Fidel Castro is meeting with the U.S. media.

At 1100, Cuba time, Fidel attended the ceremony in which Cuba and the Principality of Andorra established diplomatic relations. At the activity, which took place in the Cuban Mission at the United Nations, was attended by Marc Forne, head of government of the Principality, who spoke with Fidel about strengthening ties of friendship and cooperation between the two countries.

In the afternoon, Fidel will hold a private meeting with the directors of THE WALL STREET JOURNAL and at 2000 he will receive at the Cuban mission personalities, who are present for the UN anniversary and personalities from various U.S. social and commercial institutions.

Last night the Cuban president was received in Bronx, New York, by the Puerto Rican community here. There he was given a boxing glove, a New York Yankees jacket, and baseballs signed by famous players such as Mickey Mantle and Willie Mays, among others.

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Says Nation Not To Accept Conditions

PA2510032595 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Oct 95

[From "The Evening Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro has stated in New York that his country will not accept political conditions that could limit independence in exchange for the lifting of the U.S. blockade against the island.

During a brief interview granted to NBC, a U.S. television network, with news director, Tom Brokaw, Fidel Castro said that in spite of the difficulties generated by the blockade, in Cuba there are not children without schools, people without medical assistance, or beggars.

Fidel Castro also spoke to CBS with Dan Rather. To them, he declared that capitalism has failed in the world because it has not resolved the crucial problem of hunger, unemployment, and poverty.

The intense agenda of the Cuban leader in New York has included in recent hours a closed-doors meeting with 400 businessmen and academicians during which he delivered a detailed report and answered questions about the island's true situation.

At the Cuban Mission, the top Cuban leader received a group of U.S. congressmen of Hispanic descent and other personalities representing the Hispanic community in New York with which he maintained a lengthy and amiable conversation.

Daily Devotes Front Page to Visit

PA2510043595 Havana PRENSA LATINA in Spanish 1709 GMT 24 Oct 95

[FBIS Translated Text] Havana, 24 Oct (PL) — Today's issue of the daily GRANMA devotes the entire front page to comments on the repercussions of President Fidel Castro's presence in New York City and includes a picture showing the Cuban leader being interviewed by Dan Rather, a famous CBS anchorman.

GRANMA also profusely reports on the meetings the Cuban ruler has held with his Chinese counterpart, Jiang Zemin, U.S. congressmen of Hispanic heritage, and businessmen and representatives of the Puerto Rican community living in New York City. The daily published the entire text of the statements he made to CNN.

In addition, the newspaper reports on Castro's visit to Harlem, where, in a much celebrated speech, he reminisced about the first visit he made to that neighborhood in 1960, when he lodged at the Theresa Hotel due to the difficulties imposed by Washington authorities.

Meanwhile, this morning, local radio stations devoted a large segment of their programs to comment on the activities the Cuban delegation carried out during the celebrations marking the United Nations' 50th anniversary.

TRABAJADORES Publishes Commentary on Helms-Burton Bill

PA2410202695 Havana PRENSA LATINA in Spanish 1532 GMT 23 Oct 95

[FBIS Translated Text] Havana, 23 Oct (PL) — The Helms-Burton bill, which the U.S. Congress approved with amendments last week, is a "document clearly annexationist unacceptable" for Cuba, weekly TRABAJADORES said today.

TRABAJADORES published a commentary titled Where Will the "Patches" Lead? The publication makes an in-depth analysis of the bill promoted by Republican Senator Jesse Helms in order to strengthen the economic, financial, and commercial blockade Washington has been imposing on Havana for more than 30 years.

TRABAJADORES mentions, among other changes, the exclusion of article three that stated the right of U.S. citizens and citizens of Cuban origin residing in the United States to present claims for confiscated properties in Cuba before U.S. courts.

The amendments, TRABAJADORES adds, were the only way out for the "ultra" republicans to ease the situation, compromising on some positions, in order to win time and maintain part of the text after those who wanted to impose a fast decision suffered two setbacks in less than a week.

Nevertheless, although the original bill "was patched up," its main objective was left: to approve a law that strengthens the intent of the Torricelli law (another attempt to strangle the Cuban economy) and that will exert pressure upon governments and businessmen of the world to embrace the blockade, the commentary adds.

According to the article, signed by expert Nicanor Cotayo, the pact between democrats and republicans to come out of the deadlock situation in the debate of the bill — approved in its entirety by the Chamber of Representatives — shows how official spheres in the United States handle matters that have a repercussion in the life of other nations.

We cannot forget that at present, the United States is going through a preelection year. For this reason, all statements made by politicians and most of their actions suit their aspirations to a post, Cotayo said.

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He added that in that same spirit, representatives of the extreme right of Cuban origin residing in Miami carried out many actions and, Cotayo notes, offered "amazing sums of money" for the electoral campaigns of congressmen who voted in favor of the Helms proposal.

With regard to the democrats, there are still advisers that hope to win in Florida with the Cuban "minority" vote, which is only a key factor in one of the 67 counties in that southern state, Cotayo said.

Commentary: Helms-Burton Bill 'Meddlesome Monster'

PA2410203395 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Oct 95

[Station commentary read by Ignacio Canel; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Senate last Thursday, after intense debates, approved by a majority vote an amended version of the Helms-Burton bill which was submitted by the House of Representatives. To allow passage in the Senate and to reduce the possibility of a presidential veto, Chapter 3 of the anti-Cuban bill was eliminated. This chapter was designed to sabotage foreign investments in Cuba and authorize U.S. citizens, including those of Cuban origin, to take action in U.S. federal courts against companies and businessmen that invested in properties nationalized by the Cuban Revolution. This chapter also sought to deny entrance to the United States to any person having to do with such investments. The entrance prohibition had been extended to include children and spouses. Also U.S. citizens, including those who obtained their citizenship after the triumph of the Revolution, had been authorized to claim confiscated property.

The Helms-Burton bill faced difficulties from the moment it went to the U.S. Senate because of the obvious resistance by Democratic senators. These senators understandably believed that the bill was irrational because it did not benefit the United States in any way, and they created tedious obstacles to its implementation. The idea was to prevent President Clinton from being forced to veto the bill, which would have placed him at odds with the Senate. Now the battered anti-Cuban bill is subject to consideration by a joint Senate and House commission, which will draft a version that both can approve without major difficulties. Once the new bicameral version is approved, it will have to be resubmitted to the U.S. House and Senate for ratification and then submitted to the President for signature.

To override the presidential veto, it would be necessary for at least two thirds of the Senate and House to vote against it at a joint session. There are 435 representatives and 100 senators, which means that 357 votes would be needed to override the presidential veto and make the draft bill a law.

The promoters of the anti-Cuban bill, who can no longer bare their teeth, are hoping the monster can be passed and approved by President Clinton. An impartial observer would have to label what happened to the talked-about bill at the Senate a big defeat for the U.S. dinosaurs and its cubs, the ultrarightist mafia of Miami. To secure its approval, they had to remove the sugar from the icing of the cake they had baked to poison Cuba. Cuba's position, in view of this, has not changed at all. This bill and any other anti-Cuban bill is a meddlesome monster, totally unacceptable in a truly independent and sovereign country. To apply such laws, the Cuban people would have to be totally crushed, which is far from being an easy task. This, at least, has been the case for 36 years.

Ross Leal Stresses Need for Union Action

PA2110173895 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Oct 95

[From the "National Radio News"]

[FBIS Translated Text] In his address during the last workers conference held in Holguin Province, Pedro Ross Leal, secretary general of the Cuban Workers Federation, stated that economic tasks will be carried out by the unions as long as the unions function and the workers' suggestions are considered.

The need to rescue the moral value behind the incentives that are being given today, the levels of emulation, and the cooperation between enterprises and unions was stressed during the conference. The examples set by the tourist sector and the nickel production enterprises — through their constant donations to the health care sector — were acknowledged, as were the combine builders pledge.

The improvement and savings in Cuba's most important harvest this year will depend on their efforts.

The addresses made by Jorge Luis Sierra, first secretary of the Communist Party of Cuba in Holguin Province, and the participating delegates, stressed what the service centers [centros de prestacion de servicios] lack in management and in actions. Also stressed was the positive example set by the Division Mambisa and some basic cooperative production units who cooperate today — with good results in feeding the population — in Holguin Province's goal of hosting the 26 July anniversary in 1996. As Pedro Ross Leal stated, to do this it will be imperative to count on the workers movement's cohesion.

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[Begin Ross recording] We cannot talk about unions abstractly. We must talk about a union in action, fighting, battling, working, and taking care of the workers' problems. [end recording]

Havana Inspectors Detect Violations at Farmers Markets

PA2110173695 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Oct 95

[From the "National Radio News"]

[FBIS Translated Text] Havana City's commerce directorate conducted an inspection at 32 of the city's 40 farmers markets from 22 to 24 September. Correspondent Alvaro de Alvarez reports on the inspections' results.

[Begin recording] [Alvarez] A total of 614 violations were reported. This is almost twice the number of violations detected during the inspection carried out in August. According to Rogelio Castro, head of the Havana City Province farmers markets inspection group, the increment in the number of violations is due to the supervision of two new activities in the multi-activities group [grupo multi disciplinario], as well as to a more active job performed by price, task, normalization, and architecture inspectors [especialistas].

[Castro] There are more violations; however, the fundamental violations detected during August's inspection have been largely eliminated.

[Alvarez] There are still violations in the sworn affidavits, but it is not as bad as before. The problems regarding the farmers markets' scales and measures are still a concern. However, there has been a considerable reduction regarding this problem, if you compare the current 12 percent rate in the inspection results in August, when it was detected that more than half of the scales were altered.

Problems were still detected with regard to hygiene at the farmers markets. The largest number of deficiencies noted involved the farmers markets' internal warehousing control. Havana City Province's inspection group carried out 749 inspections. By this I mean fines, confiscation of products, and the issuing of warnings.

The labor directorate imposed the largest number of fines, especially, to people illegally self-employed in the vicinity of the farmers markets. [end recording]

BOHEMIA Magazine Examines Employment Situation

PA2310143195 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Oct 95

[Report by Susana del Calvo; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban Workers Federation in November will hold a national workshop on the current employment situation in Cuba. Today, I want to share the evaluation performed by five social and economic science specialists in an article recently published by Cuban BOHEMIA magazine. It affirms that for over 30 years the unemployment situation has not improved, logically creating a psychological impact. The specialists added that Cubans should not only adapt soon to this fact but also to the country's economic readjustment.

They explained that the job reorganization was a decision announced in time, and since 1986, the problem of the swollen personnel rosters has weakened the labor situation. In 1992, studies on underemployment were begun, but a critical financial situation arose, excess liquidity, [word indistinct], and the improvement of the domestic economy, and the measures could not be implemented. Now is the time.

They explain that the streamlining will be carried out gradually. It is not just a matter of trimming the personnel rosters but something more in depth, from the reorganization of enterprises to determine which ones have fallen behind technologically and which ones must adapt to other operating systems. The joint enterprises, in fact, do this. The increased free mobility of the labor force is favorable, which should also lead to efficiency.

In addition, a mechanism to become aware of the competition and competitiveness is being created. The salary reforms will have to be tied to the performance, earnings, and results of the enterprises. There is evidence in Cuba that the agricultural and community activity services demand a labor force. Now, there are many sought-after positions, and employment gradually regains its place.

Commentary Views Terms of Foreign Investment Law

PA2210204295 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Oct 95

[Commentary by Guillermo Alvarado; from the "Cuban Economy" segment of the "Evening Information Review" newscast]

[FBIS Translated Text] We will analyze Law No. 77 or the Foreign Investment Law, which was recently

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promulgated in our country. Before getting down to business with regard to foreign investment, which is the goal of the law, I wish to say that Chapter 2 of this legal document established the glossary that will be used in each case; in other words, the legislators precisely defined each one of the terms and concepts that will be applied. On this occasion, we will make a brief summary of the main terms used in this law.

First, an international economic [words indistinct] is defined as the union of one or more national investors and one or more foreign investors to operate within national territory to produce goods, offer services, or even the two, for profit purposes. This can be accomplished in two modalities that are specifically recognized by law: Mixed enterprises and the international economic association contracts.

The Foreign Investment Law defined a mixed enterprise as a Cuban mercantile company taking the form of a corporation [sociedad anonima] through the issuance of registered [nominativa] stock in which one or more national investors and one or more foreign investors participate as stockholders. In this regard, we must stress that this law only recognizes as a form of society what is known in the mercantile world as corporations, and thus, any other type of commercial association is ruled out.

It is important to point out this aspect, because it must be clear to possible foreign investors that in establishing a mixed enterprise with a Cuban party [entidad], they will necessarily have to adopt this form, and the stocks issued must be registered, that is, the securities must clearly bear the name of its owner.

As for international economic association contracts, which are the other modality in which foreign investors may operate jointly with Cuban investors, this is recognized as a pact or agreement among one or more parties to carry out joint actions that are characteristic of an international economic association without establishing corporations [persona juridica] that are different from the parties involved.

This means that the basic difference between a mixed enterprise and an international economic association contract is that in the former a specific corporation [persona juridica] is created and the status of the parties involved in the case depends on this new enterprise. On the other hand, in the latter, the two parties [words indistinct] participating in the pact continue to exist with their own legal status, and a new one is not created.

Possible national and foreign investors have been mentioned so far [words indistinct] Law No. 77 also clearly defined what is understood as [words indistinct]. A (?foreign investor) is defined as an individual or corporation with foreign headquarters and foreign capital that becomes a stockholder in a mixed enterprise or participates in an enterprise of totally foreign capital, or that [word indistinct] as part of an international economic association.

A national investor is defined as the company or state entity with legal status, corporation [sociedad anonima], or another legal entity of Cuban (?nationality) headquartered on national territory that becomes a stockholder of a mixed enterprise or who appears as part of an international economic association contract [words indistinct] any individual or corporation may become a foreign investor. National or Cuban investors are [word indistinct] companies or entities, that is, only corporations.

Roundup of Economic Developments Through 24 Oct

PA2410223895

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 24 October.

Labor and Social Welfare Minister Salvador Valdes reported today over 203,000 Cubans are self-employed in 160 activities approved by the authorities. A 19-October report datelined in Las Tunas quotes Valdes, who admitted "it would be difficult for the state to provide the services" so self-employment must be organized and controlled. (Havana PRENSA LATINA in Spanish 2046 GMT 19 Oct 95)

Jose Raul Diaz, manager of the Cerro Municipality spare parts distribution center, said over 1 million Chinese bicycles are currently in the country — 782,000 in the capital alone. Diaz said the government purchased $14 million worth of spare parts between 1991 and 1995; adding $3.5 million have been spent in 1995 and 96 percent of the spare parts are already in stock. The official said there are enough spare parts to meet the country's needs in 1995 and 1996. (Havana Radio Rebelde Network in Spanish 1255 GMT 19 Oct 95)

The representative of a Basic Cooperative Production Unit, UBPC, in Yateras Municipality, Guantanamo Province, reported 37 percent of its harvest has been completed by 300 brigades. The representative said each worker has picked an average 1,000 cans and their goal is to pick a total of 500,000 cans during this harvest. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Oct 95)

The Laguna Blanca UBPC in Santiago de Cuba Province reports the production of 235,000 quintals in

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tubers, vegetables, and grains. The UBPC has managed to sow 220 caballerias despite the prevailing bad weather; and 25 caballerias are still idle. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Oct 95)

Ciego de Avila Province has initiated the largest tobacco planting campaign in the province's history. One hundred caballerias will be planted in Florencia, Majagua, and Cambas Municipalities. The seeds are guaranteed for the planting which should be completed by 20 December. (Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 95)

Even though over 2,000 men were mobilized for the harvest in Las Tunas Province, the agricultural delegate Eusebio Dominguez Pujol says that the province has not produced what was expected nor what is needed. Although we have produced 72,000 quintals of tubers, vegetables, and grains, banana production experienced a sharp drop. (Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 95)

Cuban Gran Caribe Hotel Group has taken an important step in expanding its commercial ties with companies with proven international experienced companies by signing a specific agreement with the powerful international tourist French consortium Accord, and with the Portuguese Amorin company. Accord and Amorin will take over the administration of the hotels and the construction of a 1,330 rooms in Cuba. Accord-Amorin will take over the administration of Havana's Hotel Sevilla in November, and Varadero's El Cuatro Palmas in January 1996. The agreement includes the construction of 1,300 rooms in Cayo Coco. (Havana Radio Havana Cuba in Spanish 0000 GMT 20 Oct 95)

The following is a compilation of reports on economic developments in Cuba monitored through 24 October.

Cuban farmers and cooperative members have officially begun the sowing of tobacco and plan to sow more than 3,200 caballerias of tobacco, or more than 90 percent of the total number of caballerias to be sowed, within the framework of the current tobacco season. Orlando Lugo Fonte, president of the National Association of Small Farmers, remarked that "the resources allocated for tobacco sowing activities are arriving on time, and even though they are not enough, they are more than those assigned in 1994. The country and the economy need this production, and we will not surrender one single caballeria of the number stipulated in the production contract." (Havana Cuba Vision Network in Spanish 0100 GMT 20 Oct 95)

The company Spanish Airports and Air Navigation has donated Cuban equipment and systems valued at more than $2 million. (Havana Cuba Vision Network in Spanish 0100 GMT 20 Oct 95)

The Health Ministry will contribute the necessary financing for the gynecological section of the modern hospital Abel Santamaria in Pinar del Rio. The builders have said that once they have all the materials, they will be able to finish the work in four months. Thus, the health system in Pinar del Rio will have 244 new beds, which will help eliminate overcrowding in the maternity ward. (Havana Radio Rebelde Network in Spanish 1800 GMT 20 Oct 95)

The largest chain of retail stores in Cuba launched a sales campaign here this weekend. Alejandro Louro, general manager of Caracol Inc., told PRENSA LATINA that this enterprise expects to garner $50 million in sales by year end. Louro noted that "despite a slack sales period, we are currently raking in approximately $4 million per month." Louro stressed that "we believe that by the end of 1995, our operations will increase and for this purpose, we will take advantage of the year-end holidays, when the visitors want to buy nice gifts." Caracol Inc. emerged last year as part of a process to renovate stores designed to cater to foreign tourists. Caracol Inc. has 161 stores distributed nationwide, including 17 boutiques and 21 small supermarkets. Louro added that "Caracol Inc. has relations with 17 supply companies from Europe and Latin America, including Unipro, Ileatex, Euromoda, WSD, Color, Juanita Mateo, and Holson." (Havana PRENSA LATINA in Spanish 2050 GMT 21 Oct 95)

As a sign of Vietnam's strong ties of friendship with the Cuban people and the professional work undertaken by PRENSA LATINA, a visiting Vietnamese delegation donated $10,000 in cash, as well as contemporary technology and equipment to PRENSA LATINA. (Havana PRENSA LATINA in Spanish 0531 GMT 24 Oct 95)

Alexei Rubinshik, vice president of the Russian financial consortium Menatep-Impeks, confirmed today the shipment to Cuba of a donation of a container of medicines estimated at slightly over $30,000. The Russian consortium is Cuba's leading importer of sugar and has assumed part of the responsibility for the intergovernmental protocol on the reciprocal exchange of oil for sugar. Rubinshik stressed the significance of the inauguration of an official branch of Menatep-Impeks in Havana on 2 October and the spirit of mutual benefit characteristic of the enterprises established with Cuban authorities and organizations. (Havana PRENSA LATINA in Spanish 0913 GMT 24 Oct 95)

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Correction to Radio Report on CNN Interview

PA2310142395

The following correction pertains to the item headlined "Castro Interviewed by CNN Journalist," published in the 23 October Latin American DAILY REPORT, page 30:

Column two, second paragraph, first sentence, please make read:...today at the United Nations with respect and...(replacing "United States" with "United Nations")

Haiti

Aristide Calls For Peace Before Going to UN

PA2510001095 Port-au-Prince Signal FM Radio in French 1030 GMT 24 Oct 95

[From the "Waking Up" newscast]

[FBIS Translated Text] We are now going to listen to an excerpt from the speech of President Aristide at the Mais Gate International Airport on 23 October before he took the plane to go to Manhattan.

[Begin Aristide recording, in Creole] We thank the diplomatic corps that has come. We thank the president of the National Assembly, the president of the Court of Cassation, all other authorities who have come, and all other fellow citizens who have come to wish us a good trip.

I am happy to remind all of you, Haitian people, how we picked up the peace flag and hoisted it high last year when I traveled. This year, I am glad to think that you are going to do the same. The country is yours; when there is peace in it, it is good for all of us. Hoist the peace flag, just as you did last year when I was travelling. Do not let it go down. Let it flap in the wind of mutual understanding, mutual help, mutual support so the entire world that is celebrating the 50th anniversary of the United Nations can see how we, Haitian people, protect peace. At the end of 1945, when World War II reached an end, the entire world, through many countries, came together to give birth to a beautiful organization which we call the United Nations. Our country is also a founder member. This afternoon, I am going to New York. Tomorrow afternoon, I will speak at the United Nations on behalf of all of you, and I will return to join you on Wednesday [25 October] so we can continue to have peace prevail everywhere in our country and in the heart of all Haitians. I am leaving without worry because I am certain that you, Haitian people, and all of you, friends of the Haitian people, will be happy to display this peace. [end recording]

Delivers Speech at UN

PA2510001395 Port-au-Prince Radio Metropole in French 1952 GMT 24 Oct 95

[Speech by President Jean-Bertrand Aristide at the United Nations on 24 October; monitored in progress — live; passages within slantlines in Creole]

[FBIS Translated Text] ...to our great family of the United Nations. The celebration of the 50th anniversary of the United Nations has taken on a particular meaning for the first independent black republic in the world. It offers us the opportunity to celebrate the first anniversary of the restoration of democracy in Haiti, as well. Our return to Haiti on 15 October 1994 after three years of exile, and the peace gained during this democratic process represents a political miracle. Let us say it humbly but clearly: It is the first time that such a miracle occurred in the world, thanks to the heroic courage of the Haitian people, the leadership of President Clinton, you, Mr. Secretary General, and all of you, friends of the United Nations.

Gratitude is the heart's memory. May the beating of our hearts express this deep joy of having accomplished together this miracle of the century! Peace having been restored, the domestic production has increased by 3 percent whereas in 1994 it decreased by 10 percent. Between now and December 1995, the growth rate may rise to 4.5 percent. Our fiscal receipts are 85-percent higher than they were during the two years preceding our return. Today, they amount to 2.231 billion gourdes; that is 7.5 percent of our gross national product. Likewise, the budget deficit has been reduced from 1.4 to 0.3 billion gourdes. In three years, we will no longer have 85 percent of illiterates, instead we will have 85 percent of people who will learn how to read and write. These figures give hope and bear witness to this flood of peace which lights our hearts, dazzles our eyes, and hunts down the darkness of violence. Gunfire no longer rings out. /The weapons are silent./ The Army suffered a disaster. It no longer exists. /It has been disbanded./ I hope its legal funeral will take place soon in Parliament.

The creation of a national police and the judicial reform strengthen the democratic web. Justice will guarantee social cohesion. It fertilizes reconciliation, dignity, and respect of human rights. It is in this context that our legislative elections took place, while giving rise to our expectation for the presidential elections, which will certainly be free, honest, and democratic. Yes, today, the blooming of these first democratic flowers emit a perfume of peace and hope.

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May our great family of the United Nations exude this delicious perfume! May this peace finally shine in Bosnia, Georgia, Rwanda, and Burundi!

In 2050, the population of the world will reach 10 billion people. May enthusiasm kindle a fire in our hearts to prepare a better world for them and to illuminate mankind's history on the end of this millennium. Thus, the United Nations will be suffused with glory, pride, and peace. United, it is possible because /alone, we are weak, together we are strong, and tightly united together, we are lavalas./ [applause]

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Reportage on U.S. Defense Secretary's Visit

Perry Meets Mexican Counterpart

PA2410145595 Mexico City Radio Red Network in Spanish 0000 GMT 24 Oct 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] When one speaks of the fight against drugs and police and military issues, we must always refer to relations between the United States and Mexico and specifically to the struggle against drugs in Mexican territory. The officials in charge of defense in the United States and Mexico have held an important meeting in Mexico City. Here is a report by Gloria Hernandez who has been following U.S. Defense Secretary William Perry's official visit to Mexico.

[Hernandez] U.S. Defense Secretary William Perry and Mexican Defense Secretary Enrique Cervantes Aguirre have held a private meeting at the Military Camp. They spoke about a new era of cooperation in the area of bilateral security. William Perry appeared at one of the auditoriums wearing civilian clothes, as he normally does. Delivering his speech, in which he spoke very clearly, he said the ties between the two countries are so close that if one of the nations sneezes, the other gets a cold. William Perry clearly stated that the new cooperation in security matters has already begun not only in the fight against drugs but in several areas. Let us hear part of his speech as it was translated:

[Begin Perry recording, in English fading into Spanish translation] [Words indistinct] help our countries forge stronger [words indistinct] because when we speak of stability and security our destinies our closely linked. Therefore, we must build a new relation based on cooperation, [words indistinct], and mutual respect. This new cooperation has begun in several areas. The governments are working together to destroy the drug traffickers who poison our children and threaten the personal safety of citizens of both nations. The American people very much appreciate the Mexican military's efforts and dedication to fight drugs at the source. Their efforts have prevented the entry of a large amount of drugs into the cities and schools of the two countries. [end recording]

He said both countries have the opportunity to cooperate in the modernization of equipment and they are viewing the areas in which they can help each other, such as the exchange of military training and education. He said this will not be the last visit to our country. William Perry said the United States will help Mexico improve its ability to defend its naval and air sovereignty. He also stressed that a strong Mexico is needed, one that is able to fully exercise its sovereignty. He added that efforts will be made to have stronger and closer bilateral security ties so that the two countries can see beyond their borders because neither nation is an island. This is what U.S. Defense Secretary Perry said. Throughout the day he met with representatives of the Mexican Armed Forces. He will meet with President Ernesto Zedillo at Los Pinos very early tomorrow morning and he will later hold a news conference and then immediately return to the United States.

Perry Speaks to Mexican Commanders

PA2410135295 Mexico City XEW Television Network in Spanish 0400 GMT 24 Oct 95

[From the "24 Hours" newscast]

[FBIS Translated Text] U.S. Defense Secretary William Perry is visiting Mexico. The Mexican and U.S. Governments have entered a new era of cooperation in the area of political, economic, and security relations, U.S. Defense Secretary William Perry said when speaking to military commanders of the National Defense Secretariat at Military Camp No. 1 in Mexico City. The U.S. defense secretary said Mexico and the United States are currently not only good neighbors but friends that can help other countries of the continent.

[Begin Perry recording in English] This new cooperation has already begun in several areas. Our governments have been working together to disrupt the narcotraffickers that poison our children and threaten the personal safety of the citizens of both nations. The American people appreciate the Mexican military's commitment and dedication to fighting narcotics at the source. [end recording]

William Perry also said exchanges and relations between U.S. and Mexican military personnel will increase to achieve better communication. The U.S. defense secretary held private talks with Mexican National Defense Secretary General Enrique Cervantes Aguirre and watched a parade at the esplanades of the installations of the 1st Military Corps in the Military Camp. He was accompanied in these activities by Luis Tellez, chief of the Presidential Office, and U.S. Ambassador to Mexico James Jones.

Perry Meets With Zedillo

PA2510024595 Mexico City Radio Red Network in Spanish 0000 GMT 25 Oct 95

[Report by Victor Manuel Sugarza from the "Night Monitor" newscast]

[FBIS Translated Text] U.S. Defense Secretary William Perry has concluded his visit to Mexico with an inter-

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esting interview with President Ernesto Zedillo, an interview which raised speculation in Los Pinos.

At the end of the meeting with Zedillo, Perry described his stay in Mexico as fruitful. Perry said that Mexico and the United States will reinforce their relationship to combat drug trafficking efficiently and effectively. The private meeting in Los Pinos, which lasted exactly 50 minutes, was really a breakfast. It was reported that the conversation comprised five areas of cooperation: disaster situations, the war on drugs, assistance to Mexico to preserve its maritime sovereignty, and the implementation of an equipment- updating program.

Perry said that these cooperation agreements are established in strict adherence to the principles of sovereignty and independence of the two countries. Perry said that in the framework of this spirit of cooperation, his government has already delivered 12 helicopters to the Attorney General's Office to help in the fight against drug trafficking and that his country will provide assistance in the form of monitoring to help quell this activity.

The meeting was also attended by Mexican Defense Secretary Gen. Enrique Cervantes Aguirre, U.S. Ambassador James Jones, and Luis Tellez, head of the Office of the Presidency.

Article Views DEA 'Destabilizing' Actions in Latin America

PA2410192695 Mexico City EL FINANCIERO in Spanish 23 Oct 95 p 50

[Article by Hector A. Gonzalez: "The DEA's Destabilizing Actions"]

[FBIS Translated Text] It is not the first time it is stated that the U.S. counternarcotics agency (DEA), for its acronym in English) does the dirty work the CIA used to do, especially the destabilization of the democratic governments that do not conform to Washington's interests.

With the information gathered by its agents and the network of "informers" it has established in Latin America, the DEA has become the big inquisitor of the governments of those countries where there are drug crops or drug trafficking activity.

The intelligence work, which is conducted by the DEA agents and which most of the time is used to prosecute powerful drug traffickers and to lay the blame on authorities of every level, is many times based on the testimony of infiltrated criminals, covert policemen or repentant drug traffickers who negotiate their freedom in exchange for "spilling the beans."

Most of the testimonies are nothing but "remarks" by individuals who belonged to organized crime but who do not have enough proof to bring criminal charges before the courts of the countries suffering from this situation. Nevertheless, the information comes from witnesses, not always reliable, who are involved in this business.

This is where the half truths and half lies have a devastating effect when they are leaked to public opinion through the media. The DEA uses this mechanism and the powerful media to "attack" their target, whoever that might be, a policeman or a chief of state of a country who is in the sights of the counternarcotics agency.

The DEA already has several victims on its list. We do not have to travel far to find them. They are three chiefs of state upon whose presidential sash the cloud of suspicion has fallen, because drug trafficking stains everyone equally. Innuendo and rumor are enough.

In the early years of the Miguel de la Madrid administration, Anthony Lugan, a DEA informant of Italian origins, sought several reporters covering the police "beat" to give them a cassette with important information about drug trafficking in Mexico.

The so-called leak by Anthony Lugan, now a DEA deserter, revealed how high-ranking civilian and military authorities of the Mexican Government were protecting powerful drug traffickers of the Jalisco Cartel led by Miguel Angel Felix Gallardo, Ernesto Fonseca, and Rafael Caro Quintero, among others.

The DEA currently has caught in its nets Guillermo Pallomari, former accountant of the Cali Cartel, who has stated that this Colombian drug trafficking organization financed the political campaigns of Colombian President Ernesto Samper, Mexican President Ernesto Zedillo, and former Venezuelan President Carlos Andres Perez.

This information, which was leaked to the Colombian edition of the Spanish magazine CAMBIO 16, stated that Pallomari gave this information to a DEA agent, but with the warning that "probably not even President Zedillo was aware of the alleged contribution of funds for his presidential campaign."

It is too much coincidence that on the eve of the Mexican president's visit to Washington, CAMBIO 16 published this information, which was subsequently disseminated by the EFE, AP, and AFP news agencies. The information indicated that the Cali Cartel not only had financed Ernesto Samper's campaign but also those of the Mexican president and Venezuelan President Carlos Andres Perez.

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Although the information was denied by the Justice Department and the DEA a few minutes before Ernesto Zedillo's arrival in Washington D.C., the "DEA-style" propaganda blow had already done its work. The black hand of the DEA cannot be concealed. One need only review previous cases in which the victims have been other Mexicans.

The DEA's modus operandi in leaking information that only its intelligence services can gather is very obvious. It has the men, money, technology, and complaisance of the governments where it operates. It also has available an entire judicial structure that enables it to make "deals" with the drug lords so they will surrender with reduced sentences in order to obtain information.

As a result, the DEA will be able to leak, at the right moment and the way it wants, the information needed to achieve several objectives. The most important is the weakening and submission of chiefs of state whose virtues it praises in public but who it cowardly stabs in the back. This is the sad history of the struggle against drug trafficking. Those are Washington's weapons to fight not only the drug traffickers but its allies in this war that is daily being lost in all countries of the world. That is the way it is.

Colombia, a country that has paid with the death of hundreds of its people the U.S. citizens' insatiable demand for drugs, sees that its president, Ernesto Samper, has been crucified by information coming from the DEA. Horacio Serpa, the interior minister of the Colombian Government, has denounced the destabilization actions against the president by the DEA in Colombia.

Minister Horacio Serpa stated in this regard: "If you ask me whether there are interests outside the country dedicated to creating destabilizing circumstances, I think there are; and if you ask me whether they come from the DEA, I say it sure sounds like it."

Government, EZLN Broaden Dialogue in Chiapas

PA2410155195 Mexico City EL FINANCIERO in Spanish 19 Oct 95 p 44

[Report by Gabriela Coutino and Amalia Avendano]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 18 Oct — With the establishment of the Rights and Indian Culture negotiating table, the dialogue between the federal government and the Zapatist National Liberation Army [EZLN] was broadened by giving pluralistic participation to citizens and organizations seeking a solution to the conflict.

The fact was described as a historical achievement of great significance, because for the first time in history the administration is discussing issues with Indians, including the demands which originated the EZLN's armed uprising.

In the first day of work of the six groups, there was a significant affluence of EZLN and government guests and advisers.

They discussed the general basis for establishing the autonomy and rights of the Indian communities and emphasized the respect for territorial integrity with a proposal to create a new political geography which respects territorial autonomy.

The dialogue emphasized the urgent need to formulate the legal system with the norms and customs of the Indian communities.

Regarding the Guarantees for Indian Justice, the following aspects are important: the need to create an Indian prosecutor's office and a school for Indian lawyers which will guarantee the benefits of the law and the administration of the law.

The respect which society should have for Indian norms and customs and that the access to justice be on equal terms for Indians and for the rest of the population was discussed.

The establishment of an independent commission to examine the records of all Indians imprisoned in jails in Chiapas and other parts of the country was also proposed.

During the dialogue it was suggested that the necessary adjustment be made to the respective laws, the Penal Code, and the Federal and State Penal Procedure codes to guarantee the administration of justice to Indians.

In a news conference, the public relations subcommittee of the Conai [National Commission for Indian Affairs] and Cocopa [Harmony and Peace Commission] said that in regards to the Participation and Political Representation of the Indians, issues related to the political recognition of the Indian communities and their manner of participation were emphasized.

Regarding the political participation of the Indians and their relationship with the powers of the state in the three branches of government, integration of the three levels of government were proposed to guarantee the political representation of the communities.

Conai and Cocopa emphasized the great participation in regards to the Rights and Culture of Indian Women, stressing the equality which should reign between men and women, the social revaluation of Indian women and their right to own land, and to have an education.

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In the political area, more space was demanded for Indian women in popular representation positions and ejido and communal charges, and the creation of productive projects and systems for their training.

Regarding the Indians' access to the communications media, the need to regulate the right to information to guarantee access to Indian communities to the mass communications media and the pluralistic character which should prevail in them.

At the table of negotiations, the groups proposed promoting the media in the Indian communities so as to broaden coverage in the municipalities and to turn it into a key instrument for the defense of Indian culture and traditional values.

Concerning the Promotion and Development of the Indian Culture, they discussed the importance of bilingual and bicultural education, which should be respectful and participative.

In addition, the groups recommended to make Indian dialects official and promote respect for and the recovery of ceremonial centers, which will be administered by the communities themselves.

Deputies and senators of the Congress of the Union who constitute the commissions for Indian Affairs are participating in this dialogue.

On this occasion, the EZLN delegation increased to 20 members, who, after an absence of more than a year from San Cristobal de las Casas, made their entrance amid applause and cheers.

Human Rights Leader, Deputy on Arrest of EZLN's Yanez

PA2410183395 Mexico City Radio Red Network in Spanish 0000 GMT 24 Oct 95

[Report by Rafael Jerezano; from "The Night Monitor" newscast — live relay]

[FBIS Translated Text] I am reporting from the Association of Foreign Correspondents on Cuauhtemoc Avenue. We are here because there was a news conference, which concluded moments ago, with Deputy Rosario Ibarra de Piedra on the arrest of Fernando Yanez, alias German. We will first listen to David Fernandez, director of the Miguel Agustin Projuarez Human Rights Center, who was at the news conference also:

[Begin Projuarez recording] This is particularly serious because the arrest was made at a time when efforts are being made in Chiapas to find a political and negotiated solution to the conflict. This government attitude worsens the situation and jeopardizes the efforts of civilian society.

We had not even completed the first phase of the first dialogue on Indian rights and culture when this arrest occurred. It is evident that civilian society as well as the guests and aides of the EZLN [Zapatist National Liberation Army] came up with an impressive number of ideas while the unsubstantial and irrelevant positions of the government were virtually defeated. Police and army actions come on heels of the overwhelming reactions of civilian society to the government's positions reflected. [end recording]

Deputy Rosario Ibarra de Piedra said that she knows this man, Fernando Yanez, since he was a child; that their families have been friends. She assures that all this is fabricated and demanded full guarantees for the safety of Mr. Yanez:

[Begin recording] [Piedra] He is a healthy and strong man without suicidal tendencies, and thus, we demand full guarantees for him, and as I said before, also for his family, because of the threats made by a general called Diego, as he reported, but he is not sure about his name. This general showed him a folder containing the names and telephone numbers of all his closest relatives to imply that they could be reached. Yanez, however, refused to testify or say anything.

[Reporter] Ms. Rosario Ibarra de Piedra, we know you met with the attorney general; was it the federal district attorney general?

[Piedra] No....

[Reporter, interrupting] The attorney general of the Republic?

[Piedra] Yes, the attorney general of the Republic.

[Reporter] And what did he tell you?

[Piedra] I asked him about the arrest of Fernando Yanez Munoz. The attorney general said that Yanez was not arrested because of the warrant issued against him; that this arrest was carried out by the federal district's Judicial Police; that they only received and charged him for arms possession and crimes against health. That is what he told me; that they have nothing else to do with him. I then asked him whether it was correct to receive a person who was arrested, actually kidnapped, without an arrest warrant and by persons in plainclothes who did not identify themselves.

[Reporter] Who kidnapped him?

[Piedra] We do not know, but we think that it was the Judicial Police of the federal district, but we are not sure because they were all in plainclothes, they failed to produce identifications or arrest warrants, and they

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took him away. And then the Attorney General's Office received him.

[Reporter] This happened on 21 October?

[Piedra] Yes sir, at 1900 on 21 October.

[Reporter] Is it false that he was armed?

[Piedra] He claims that this is false; that all charges leveled against him are false, absolutely all of the charges.

Final Results of Elections in Chiapas Disclosed

PA2410170895 Mexico City XEW Television Network in Spanish 0400 GMT 24 Oct 95

[From the "24 Hours" newscast]

[FBIS Translated Text] In Tuxtla Gutierrez, Hector Santana, technical secretary of the State Electoral Council, has disclosed the final results of the past 15 October elections in Chiapas. The PRI [Institutional Revolutionary Party] won 84 mayoralties, the PRD [Party of the Democratic Revolution] got 17 mayoralties, the PAN [National Action Party] won 5 mayoralties, the PT [Labor Party] got 2, and the Cardenist Front For National Reconstruction Party obtained 1 mayoralty.

Regarding local deputies by relative majority, the PRI won 21 seats and the PAN 2.

Immigration Authorities Arrest 199 Illegal Aliens

PA2310145095 Mexico City LA JORNADA in Spanish 19 Oct p 26

[Report by Rene Alberto Lopez, Jesus Moreno, and David Carrizales]

[FBIS Translated Text] Immigration authorities reported the arrest of 199 illegal aliens, seven of which were from India, as well as four smugglers [polleros — people who transport illegal aliens] during operations in Tabasco, Sonora, and Nuevo Leon.

A total of 137 Salvadorans who paid $255,000 to be taken to the U.S. border were stopped in Tabasco and Veracruz — approximately 170 km from Villahermosa — while traveling hidden in a trailer to evade inspection.

Hernan Lizardo Bustillo, Octavio Hernandez Rivera, and Daniel Mendez Garcia, who were guiding the illegal aliens — 53 women among them — were arrested and put under the custody of the Federal Public Prosecutor's Office on charges of violation of Mexican population laws.

Regional immigration representative Esteban Vega Franco said the group of foreigners took the trailer with vehicle registration number 595-T27 in El Naranjo located at the border between Mexico and Guatemala.

Nevertheless, on Tuesday morning, three immigration officials detected the trailer and the passengers traveling on a road in the Francisco Rueda town, near Las Choapas, municipality of Veracruz.

Likewise, a total of 49 Central Americans were arrested in Sonora at the road check point located in Benjamin Hill, approximately 140 km from Nogales while travelling in a bus from Mexico City.

The 30 men and 19 women from El Salvador and Guatemala were sent to the Nogales municipal jail, where one of them was diagnosed with small pox after personnel from the National Immigration Institute and doctors examined the detainees before their deportation.

Meanwhile, members of the Federal Judicial Police (PJF) arrested 13 illegal aliens traveling in a bus who were touring General Bravo, Nuevo Leon municipality, Federico Gonzalez Garcia, representative from the Attorney General's Office reported. He added that when the agents boarded the bus from Transportes del Norte, they noticed that a group of passengers was very nervous, and when questioned could not support their legal status in the country.

Among the detainees there were two Salvadorans, three Guatemalans, one Honduran, and seven from India. During the same operation, Jose Antonio Palacios Melendez, trafficker of illegal aliens, was arrested. He is 41 years old, Salvadoran, but resides in Tuxtla Gutierrez, Chiapas.

Hog Breeders Consider Asking For NAFTA Exclusion

PA2110173995 Mexico City El FINANCIERO in Spanish 18 Oct 95 p 25

[Report by Lourdes Edith Rudino]

[FBIS Translated Text] There is a need to implement three measures that will allow the Mexican hog breeding sector to survive: establishing a mechanism for fodder grain supply at prices consonant with the hog market prices; controlling unfair imports from the United States; defining credit plans at affordable rates; and encouraging national consumption of pork.

Enzo Gonzalez, director general of the National Hog Breeding Commission [Comision Nacional de Porcicultura] (Conapor), stressed the importance of these measures. On the other hand, he warned that if the benefits forecast for Mexico in this field from NAFTA are not achieved, "we will ask for the exclusion of the hog-breeding sector from the agreement."

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The NAFTA stated that the United States would accept pork products and hogs on the hoof from regions declared free of disease (as the northern part of Mexico), but this has not been the case. The obstacles continue, and Mexico has not exported a gram of pork to that country.

He added that the current situation of no profits that hog raisers have been facing this year could make the country produce 60, 70, and up to 80 percent less of its current domestic supply.

"This will trigger an increase in the demand for imported products and an increase in their prices, because the United States is not a charity institution, and they are going to do business. Moreover, the products they are selling are subproducts they do not consume and of low quality. The worst of it all is that the control over the hog breeding sector will not be in the hands of the country. The government should do whatever is necessary for this not to happen."

Gonzalez noted that, from December to January 1994, the volume of imports from the United States was reduced by 46 percent, after they had an excess of hog production during October-November 1994 and they sold meat to Mexico at very low prices.

Nevertheless, that decrease in imports (triggered by the devaluation of the peso) included only hog on the hoof, the cuts, and quality meats. Volumes of pork subproducts have continued to enter the country in quantities similar to the ones at the end of 1994. This has resulted in lower internal prices, which today are remarkably below production costs.

Gonzalez said that, up to now in 1995, a total of 300 farms have gone bankrupt, which probably represents more than 15 percent of bankruptcies registered in 1993. [sentence as published] He added that — based on the total volume of hog and meat delivered to Mexico City market — meat consumption has decreased by 27 percent due to the low purchasing power of the people.

Gonzalez urged promoting the supply of affordable credits and the purchase of subsidized grains, in order to establish a balance between costs and income.

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El Salvador

Clandestine Organization Emerges as 'Political' Option

PA2410235195 San Salvador Canal Dos Television in Spanish 1900 GMT 24 Aug 95

[From the "Teletwo" newscast]

[FBIS Translated Text] A communique from a clandestine organization calling itself the Nationalist Guerrilla Force of Free El Salvador [Fuerza Guerrilla Nacionalista de El Salvador Libre] has arrived in our editorial office.

The communique states this force has emerged as a political and military option. The guerrilla force says the current economic plan being promoted in the region by the United States with the support of rightist domestic capitalist is a clear violation of our regional autonomy.

The document notes the group's dissatisfaction over the privatization of public services, foreign investors who oppress Salvadoran labor, and the approval of certain political, ecologic and judicial norms.

In view of this situation, the organization declares an uncompromising war on national capitalists and on transnationals that invade our fatherland and destroy the scarce resources we have and that mercilessly exploit our people.

Guatemala

President Fears URNG Wants To Prolong Negotiations

PA2410161895 Madrid EFE in Spanish 2114 GMT 23 Oct 95

[FBIS Translated Text] New York, 23 Oct (EFE)—Guatemalan President Ramiro De Leon Carpio today, Monday, expressed fear that his country's guerrillas do not have political will to sign a peace agreement.

The government and the Guatemalan National Revolutionary Unity (URNG) are holding peace negotiations since April of 1991, which have resulted in significant agreements on human rights, displaced communities, Indians' rights, and the creation of a "Commission for Historical Clarification."

De Leon Carpio, who is in New York attending the UN 50th anniversary ceremonies, told EFE in an exclusive interview that "maybe the guerrillas do not want to sign the peace agreement now and would prefer to wait for the next government" which will take over following the 12 November general elections.

"That may be dangerous because a new government may have a different vision and, in the meantime, there are human lives at stake. While we speak, a child, a youth, an adult, a soldier, a guerrilla, a civilian may be dying," he stated.

"We are on the verge of peace; so close but yet so far. This will depend on the political will of the URNG. We have expressed, for our part, a very clear determination," De Leon Carpio added.

The Guatemalan president explained that only two issues are pending, "the agrarian socioeconomic issue, which is already being treated and is the most controversial, the most difficult, and the role of the Army in a democracy and its relationship with civilian power."

In this regard, he declared that, "We have had some problems with the economic sector regarding the issue that is being discussed, but they have been worked out."

He added this is complicated "because there are large interests involved; there is an economic power behind all this and, in Guatemala and anywhere in the world, an economic power is a very real power."

Nevertheless, De Leon Carpio voiced confidence that the discussion of the last point on the agenda, the one concerning the Army, does not offer greater problems.

"The Army is prepared for peace; it has assumed the role it should play in the democratic system," De Leon Carpio affirmed, after highlighting the measures implemented by his administration during the last two years to adapt the institution to the new situation.

However, he underscored that "peace is not achieved with the signing of a document. That is just the beginning of a process that must be carried out with a reconciliation that, perhaps, will be the most difficult part, and a fight against poverty. These are the two basic principles to develop the agreement."

"I am afraid the guerrillas may have a strategy to prolong this negotiation to benefit themselves. Given this, the only thing that we can do is what I came here to the United Nations to do, namely to ask the world to help us out, to put pressure on us," De Leon Carpio told EFE.

Regarding the recent killing of 11 peasants by an Army patrol, De Leon Carpio termed it "the biggest blow I have sustained in my two years and four months as president. There have been and there continue to be problems of violence, but something like this, which often happened in the past, had not taken place."

He described the incident as "regrettable and isolated" and noted that, for the first time in the history of his country, there was clarity and authorities accepted their responsibility for the events. This incident led to the

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discharge of the head of the base from where the patrol who committed the crime came and the resignation of Defense Minister Mario Enriquez.

"Things have changed in Guatemala. It is a shame we have had to pay such a high price in terms of human lives to demonstrate it," the president remarked.

De Leon Carpio denied the existence of a regressive attitude within the Guatemalan Armed Forces, saying that "the Army is led by chiefs who are aware of the role the institution plays in a democracy."

He also rejected there is any danger for Guatemalan democracy, indicating that "not only do I believe that no destabilizing elements exist, but also the internal and external conditions of the country prevent this from happening. Definitively, no."

Ramiro De Leon Carpio concluded: "However, our democracies in Latin America are fragile and they must be strengthened day after day. That is why, I work to end the armed confrontation so that we can devote time to strengthening our institutions."

Army Spokesman Criticizes URNG Political Proselytism

PA2410163595 Guatemala City Teleonce Television in Spanish 0435 GMT 23 Oct 95

[From the "Telepress Newscast"]

[FBIS Translated Text] Guatemalan Army Spokesman Colonel Guillermo Caal Davila indicated today that recent actions undertaken by members of the URNG [Guatemalan National Revolutionary Unity] in the country's interior urging the citizens to vote for certain candidates and against others might lead to high levels of abstention on 12 November.

[Begin Col. Guillermo Caal Davila recording] This action truly seeks to antagonize the Army and trigger incidents in these communities. The guerrillas are trying to provoke us, but we know the population's security must remain our leading concern. With regard to all the cases they have presented, everyone is aware that they have been engaging in some sort of political proselytism by urging people to vote for certain parties and not for others. This action will only lead to high levels of abstention among the population.

We truly believe that at this juncture, since they no longer have a political or ideological flag to garner support for their cause, they have no choice but to become adapted to the country's political, social, and productive conditions. This is the path the members of the URNG should follow so that all of us may put an end to this war, which has taken a heavy toll among Guatemalan men, women, children, and elderly people, and so that all of us may participate in the productive process we need in Guatemala to live in peace and leave our offspring a better Guatemala than the one we received. [end recording]

Honduras

President Favors Amnesty for Military Officers

PA2410170195 San Pedro Sula TIEMPO in Spanish 21 Oct 95 p 6

[Report by Daniel Serrano]

[FBIS Translated Text] Tegucigalpa — President Carlos Roberto Reina yesterday spoke out against the presidential pardon and in favor of the amnesty for the military officers involved in the disappearance of 184 people last decade.

"It is not a figure (the presidential pardon) that I like out of respect for the victims' relatives; if society is offended, only society can make a decision," he affirmed.

The president left yesterday for a 10-day tour of New York to appear before the UN General Assembly, and he will later visit Boston (United States) and Toronto (Canada).

Regarding the case involving the 10 officers tried for the disappearance of people, the president said that the actions of First Criminal Judge Roy Medina regarding a group of citizens who must appear in court to testify as accused witnesses has been blown out of proportion.

He termed "very responsible" the position assumed by Armed Forces Chief Luis Alonso Discua Elvir in the face of this case, which does not affect the military because it deals with personal responsibilities.

Every criminal action is individual; consequently, believing that an institution may commit a crime is an error of appreciation, he commented. "He who commits an offense must respond personally," Reina remarked.

"Discussing the pardon is beginning a very serious and severe discussion... pardoning is forgiving the penalty of someone who has been tried in a court of law; do you imagine if someone kills a relative of yours and then somebody comes and says he must be pardoned," the president stressed.

The controversy that would be generated would be very strong, he added, because by committing an offense one does not only offend an individual but offends society as a whole. Only society can take action against the criminals, he noted.

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"It is a figure that must be discussed with a great deal of professionalism so that it does not result in someone committing abuses and later being pardoned," he said.

Amnesty is completely different, he expressed, because forgetting past political events "is very healthy."

He continued: "We cannot continue to look back and blame each other for specific events; forgetfulness, amnesia, and amnesty would be like a cloak [manto]."

Those missing must be found, a great homage must be paid to them, and relatives should be compensated in order to satisfy the relatives. "In addition, those responsible must be punished or, if an amnesty is decreed, the incidents should be forgotten," the president stressed.

President Reina said that, as general commander of the Armed Forces, theoretically he could force the three officers who are at large to present themselves in court, "but there are reports some of them left the country."

Additionally, the president termed this measure "exaggerated" because if a person does not appear in court voluntarily, he may be "invited" to testify with two police officers.

He expressed he will not judge the actions of a judge because he would be incurring an offense by meddling in the jurisdiction of the judicial branch. "I observe the separation of state branches so that there is democracy, republic, and state of law," Reina asserted.

Meanwhile, President Reina concluded that the will of the Armed Forces in the election of the next chief of the institution must be respected, because "they know each other, they value themselves and work together."

Investigation Department Director on Fugitive Officers

PA2410195195 Panama City ACAN in Spanish 1530 GMT 24 Oct 95

[By German Reyes]

[FBIS Translated Text] Tegucigalpa, 24 Oct (ACAN-EFE) — Three Honduran police officers charged with the temporary disappearance of six students in 1982, and for whom arrest warrants were issued, today, Tuesday, mark their eighth day of being fugitive.

Last 17 October Judge Roy Medina ordered in Tegucigalpa the arrest of Lieutenant Colonel Alexander Hernandez, current inspector general of the Public Security Force (police) [FSP], and of retired officers Major Manuel Trejo and Captain Billy Joya.

But eight days after the order of Judge Medina the three officers are still "missing," in an action that Wilfredo Alvarado, director of the Criminal Investigation Department, and Human Rights Attorney Leo Valladares have recriminated.

"They are giving fellow officers a bad example; they, as members of an institution that defends citizens, should surrender voluntarily and appear in court to testify," Alvarado told ACAN-EFE.

Other social sectors are asking Armed Forces Chief Major General Luis Alonso Discua Elvir to order the accused to surrender to justice. The high-ranking military officer responded he cannot meet this request because this is a particular and not an institutional affair.

Alexander, Trejo, and Joya appear on the list of 10 military officers, among active-duty or retired officers, against whom last July the Human Rights Attorney's Office filed suit for illegal arrest and murder attempt against six leftist university students in 1982.

Carlos Lopez Osorio, one of the defense attorneys of the 10 accused officers, recommended that Hernandez, Trejo, and Joya do not surrender, and he has threatened to take legal action against Judge Medina, because, according to him, he does not have competence in this trial and is breaking the law.

Medina has limited himself to saying that Lopez Osorio is entitled to say whatever he wants as defense attorney of the officers. He reiterated that there is sufficient evidence to summon the officers as witnesses for the temporary disappearance of the students.

Agents from the Criminal Investigation Department (DIC) are guarding the homes of the three accused officers and the places they commonly visit. Hernandez and Trejo live in Tegucigalpa, while Joya resides in San Pedro Sula, northern region of Honduras.

The police inspector general went on leave on 13 October, insisted FSP spokesman Captain Danilo Orellana, who claims he knows nothing about Alexander Hernandez' whereabouts.

Last week, Retired Colonel Leonidas Torres Arias, former head of intelligence (G-2) of the Armed Forces and former police chief, reiterated in court that Alexander Hernandez is implicated in the forceful disappearances of the 1980's.

Torres Arias was summoned to testify in the case of Nelson Mackay, missing since 1982, whose remains were found in December 1994 in a community of the southern Department of Valle, on the Salvadoran border.

Approximately 184 people disappeared in Honduras during the past decade, including national and foreign citizens, according to the report "The Facts Speak For

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Themselves" of the national human rights attorney, who said those responsible for these violations must testify and be punished by justice.

"There cannot be reconciliation or pardon without justice," Valladares told ACAN-EFE while he observed excavations of two sites in El Mangueral, eastern region of Honduras, where a team of forensic anthropologists look for the remains of three other missing persons.

Nicaragua

CSE Sets First Round of Elections for 20 Oct 1996

PA2410191395 Managua LA PRENSA in Spanish 18 Oct 95 p 2

[Report by Cesar Ubeda Bravo]

[FBIS Translated Excerpt] Dr. Mariano Fiallos Oyanguren, president of the Supreme Electoral Council (CSE), announced during a news conference yesterday that the first round of the general elections will be held on 20 October 1996.

"We are calling for elections for president and vice president of the Republic, deputies of the National Assembly, mayors, deputy mayors, and municipal town councilors on 20 October 1996," Fiallos added.

The date for the first round of elections next year was an unanimous decision of the CSE magistrates, who met for three hours at the headquarters of this state branch.

Fiallos pointed out that the CSE is empowered to make this official summons for the first round of the general elections by Articles 132, 133, 136, 146, 147, 148, and 178 of the political Constitution and Article 3 of the current Electoral Law.

"This summons will be in effect after its publication and I do not think that there will be any problem with the National Assembly. The CSE has the duty of establishing the date for the elections," Fiallos replied to a question as to whether there could be a conflict with the Parliament given that the reforms to the Electoral Law have not yet been approved.

"In view of the delay of the National Assembly (to approve the Electoral Law) we, the CSE magistrates, agreed unanimously that this summons cannot be delayed any longer," he added.

The CSE leader recalled that the 20 October 1996 date was reached with the Special Commission on Electoral Law Reforms of the National Assembly.

"We had first proposed 13 October but we finally settled for 20 October," Fiallos noted.

The high ranking CSE official underscored that this was done because it was vitally important to establish a date to allow those interested in running for the presidency or other public offices to make their respective decisions. Moreover, the CSE needs enough time to comply with the electoral schedule. [passage omitted]

Minister Comments on Struggle Against Drug Trafficking

PA2410161795 Managua Radio Nicaragua Network in Spanish 1130 GMT 18 Oct 95

[From the "620 News" newscast]

[FBIS Translated Text] [Unidentified reporter] We will talk to Presidency Minister Julio Cardenas. Minister, we would like to know what specific measures is the government adopting, along with civilian society, to curb drug trafficking. We have heard that Nicaragua is a bridge, a headquarters for drug traffickers, is this true?

[Cardenas] No, Nicaragua is no headquarters. It is true, as you said, that our country is a corridor, a path through which drugs travel from their production place in South America to consumption places in North America. This is, so to speak, a natural pathway for the drug, which is a scourge for our people. We are increasing our efforts to eradicate drugs from our country on a daily basis. We want drugs eliminated but this larger task that involves the world. Our work here against drug trafficking, which involves the police and the army, is intense. The president has ordered certain actions. The police has established contacts with a number of international organizations involved in fighting drugs. This is the evil of our times that attacks our government.

Government Reportedly Fails To Meet IMF Conditions

PA2410220295 Managua Canal Cuatro Television in Spanish 0400 GMT 20 Oct 95

[Report by Erica Ramirez; from the "Extravision" newscast]

[FBIS Translated Text] [Ramirez] The "Extravision" newscast has learned that the government failed the last test of the IMF Directorate, which reprimanded the authorities for increasing expenditures from $340 million to $1 billion. Finance Minister Emilio Pereira denied this; he claimed to have the green light of international organizations:

[Begin recording] [Pereira] The bridging program extends between now and December 1996, and this must be evaluated every three months. The next evaluation will be in late January. We complied with the $30 million that the National Bank had to recover; a check was

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already deposited, and another $15 million will be deposited on 23 October. The (FNI) complied, (ENEL) complied, the government complied....

[Reporter, interrupting] For example, how has (ENEL) complied? It still has a deficit and overdue payments.

[Pereira] I do not understand your insistence. I am telling you and guaranteeing you that the government of the Republic is up to date, it enjoys the support of multilateral organizations, and we achieved a bridging program less than four weeks ago. The authorities signed that program, and we are talking about making a new operation that would give Nicaragua $80 million in March. [end recording]

Minister Pereira admitted that the international reserves goal was not met. The "Extravision" newscast has figures indicating that international reserves dropped by $118 million:

[Begin recording] [Pereira] We have more reserves than last year but less than the program specifies. You understand, we have more than last year but less than the program.

[Reporter] How much more?

[Pereira] About 12 million more. [end recording]

The FMI Directorate also consulted the private banks to determine whether they are able to buy the portfolio of Banades [National Development Bank] and even some of its branches to assist the bank that has overdue payments $1 billion cordobas:

[Begin recording] [Pereira] To make the adjustment, given that a portfolio of more than 800 million will be taken away from the national bank, we need to reorganize it, and in order to achieve that we need a minimum support. Thus, we are looking for another bridge, perhaps with the northerners or the Inter-American Development Bank; we need $10 or 20 million to reorganize the national bank. [end recording]

[Ramirez] Approval of the property law and the law on the privatization of Telcor [Nicaraguan Telecommunications and Postal Services] are the bases for a solution to the situation presented by the IMF and the World Bank.

Panama

Perez Balladares Addresses UN General Assembly

PA2510033995 Panama City Sistema de Television Educativa in Spanish 2200 GMT 24 Oct 95

[Speech by President Ernesto Perez Balladares at the 50th UN General Assembly in New York; date not given—recorded]

[FBIS Translated Text] Mr. President; Mr. Secretary General; messrs. chiefs of state and government; Mr. President:

Various acts such as the one that gathers us here today are being held during these days in many other countries, including mine, not only to celebrate another anniversary but to express appreciation to the UN organization for the world it has helped to shape. Injustices still persist. Poverty is rampant in vast regions of the world. Respect for human rights for many of its inhabitants is but a dream, and wars have not disappeared completely, but what we must ask ourselves despite this apparently desolate panorama is how our world would be with the devastating power of nuclear weapons and without the United Nations.

The true significance of the UN organization cannot be measured in terms of its susceptible number of achievements but, rather, in values, tangible and real, in wars that were never waged, in victims that were never claimed because of it, in orphans that never were because their parents did not have to die in a war that neither one nor the other understood. When we recount the history of these 50 years, many will say the organization has been the venue of many sterile discussions, but it is preferable for the world to have a place where conflicts can be ironed out with words rather than have to search at every hour for battlegrounds to resolve disputes that it itself has invented. It is better for the world to have an organization in which words abound than theaters of war in which the dead are the ones that abound.

Panama is a signatory of the UN Charter and has the rare privilege of having hosted in its territory a UN Security Council meeting. In fact, when all diplomatic paths seemed to have been closed to my country, the mere holding of a session of the UN council outside its headquarters elevated Panamanian claims on the Canal to a level of world attention unprecedented up to that time. A few years later, negotiations concluded, making a colonial jurisdiction known as the Canal Zone disappear.

Today, it has us at the threshold of taking over the administration and operation of the interoceanic waterway

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before the end of the century; therefore, we, too, ask ourselves if our destiny today would be so promissory had this venue not existed, this sole organization in which differences, regardless of how big they are, cease to exist and in which discussions are held between governments with equal rights, no matter how unequal the states are in wealth or military power.

The world has not grown since Panama, together with some 50 nations, signed the UN Charter 50 years ago. What has grown is the number of states that were born into independence under the protection of this organization. What has grown is the hope of millions of youths who no longer face the cruel expectation of having to die in wars devoid of sense and reason. Perhaps what better reflects the transformations the world has experienced in this half century of postwar is that two of the nations on whose military defeat the organization was founded today justifiably aspire to be permanent members of the UN Security Council, and the language of exclusions has given rise to the language of universalization of the organization.

Our commitment with the UN organization is to facilitate its mission for the next 50 years. We do no service to this organization by recriminating it for its errors or being content with its many achievements. If the organization contributed to closing many wounds of a war, it must now help to close the technological and educational gap that is increasingly widened between the nations comprising it.

Poor countries, which are the most prevalent, do not aspire to match our armies with those of the military powers, but we have more than enough reasons to aspire to wish that what is an unsurmountable distance in technology and military power will not become also an educational abyss of unconquerable proportions. If this proposal were fulfilled with an acceptable level of success, those who come to celebrate the centennial of this organization in 2045 will then have so many reasons of gratitude toward it as those which the generation of today has toward it for having spared it the horrors of a war that could very well have been the end of humankind. Thank you very much, Mr. President. [applause]

Government Minister Montenegro on Illegal Immigrants

PA2410175695 Panama City EL PANAMA AMERICA in Spanish 22 Oct 95 p 6A

[FBIS Translated Text] The International Organization for Immigration sponsored a seminar on the traffic of immigrants in Central America. Government and Justice Minister Raul Montenegro participated in this seminar recently.

At the event, the official pointed out that "this is a good opportunity for us to openly assess the issue of illegal immigrants, a problem apparently on the rise. This problem needs attention, particularly, because of its negative effects on the less privileged groups."

These people are drawn into an international chaos unleashed by truly organized mafias, which earn hefty profits from the healthy aspirations to migrate of many people who live in distant countries and in our region, stated Montenegro.

He added that "there is an immediate need for each of our governments to adopt the proper measures to update legislation so that the corresponding government organizations may have at their disposal legal norms that enable them to stop the traffic of immigrants, punish the culprits, and protect the victims."

At the end of his statement, he told the participants that he hoped their discussions and conclusions "will help them establish closer ties of cooperation and adopt the necessary measures of coordination among their countries to put an end to the scourge of the illegal traffic of immigrants in our region."

Immigration Director German Gil Sanchez and acting Attorney General Mercedes de Grimaldi also attended the seminar.

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Argentina

Menem Addresses U.S. Entrepreneurs, Confirms Cavallo

PY2510024295 Buenos Aires TELAM in Spanish 2018 GMT 24 Oct 95

[Report by unidentified special TELAM correspondent]

[FBIS Translated Text] New York, 24 Oct (TELAM) — Addressing more than 200 U.S. and Argentine bankers and entrepreneurs, President Carlos Menem today again confirmed Economy Minister Domingo Cavallo in his post and emphasized that corruption is being successfully countered in Argentina.

During a Price Waterhouse-sponsored working breakfast at the Saint Regis Hotel, Menem emphasized: "I have been confirming him in his post for six years and, from the way I see it, I have to confirm him for another four years."

Upon confirming Minister Cavallo in his post until the fulfillment of his second term of office in 1999, the president pointed out: "I cannot tell you more for your tranquillity, for ensuring tranquillity in the markets."

Menem added: "Moreover, we have to realize that no one is essential." He said: "Not even this president is essential because, if we begin to believe that a country can only function with a president, we are totally lost."

Menem emphasized: "Within a democracy, changes are absolutely advantageous. I believe that, if I am running Argentina, it is because the people in my country believed that this system, and not only the people managing the system, had to continue."

Menem added: "On 14 May it was proven that Argentina is functioning well and will continue to function even better."

Afterward, the president was asked by U.S. entrepreneurs about Cavallo's corruption reports in Congress.

The president explained: "When I was inaugurated in 1989, I told Congress that I was receiving an absolutely chaotic country, with widespread corruption, and that one of my banners would involve struggling against corruption."

The president confirmed that Argentina "has successfully countered corruption." He added: "There may be some corrupt people, but not an established corruption like that prevailing in 1989."

Menem emphasized: "After we transformed the state and the economy, and privatized the state-owned enterprises, we dealt a terrible blow to corruption."

The president noted: "Those (state-owned) enterprises were a monument to corruption."

Menem emphasized: "Minister Cavallo filed a report with Congress over a much-discussed case involving the privatization of the post office. This report was received by the judicial branch. And the three branches are functioning in Argentina."

Concerning the report filed by the minister, the president said: "They are being handled by the courts, and the courts in Argentina function very well."

The president said in concluding: "The corruption cases that he (Cavallo) has reported are being investigated, and we will be informed of the results in due time."

During the working breakfast, Menem was accompanied by all the members of his entourage, U.S. Ambassador to Argentina James Cheek, and Argentine entrepreneurs Amalia Lacroze de Fortabat, Santiago Soldati, Jorge Blanco Villegas, Carlos Bulgheroni, and Aldo Roggio.

Further Reportage on Attack on Diplomat

Acting President: No New Evidence

PY2510011795 Buenos Aires TELAM in Spanish 1935 GMT 24 Oct 95

[FBIS Translated Text] Buenos Aires, 24 Oct (TELAM) — Acting President Carlos Ruckauf reiterated today that the government does not have any new evidence indicating whether the attack on the Iranian diplomat was a terrorist attack or a common crime.

"At this time we do not have any new evidence. All theories are being investigated" to determine the reason for the shooting of the Iranian charge d'affaires, Ruckauf said.

"It is still not clear whether there was an exchange or words and a struggle," the acting president said, adding that it was not determined "whether the motorcycle was parked in the area or whether it was following the car."

Ruckauf said: "These elements are very important, according to investigators, to determine a motive."

Ruckauf made these remarks at Government House. He said: "We do not now, nor will we, rule out any theory. It is too early to rule out the theory of a common crime or any other theory."

Ruckauf said the Supreme Court will take over "only if there are indications or links with other types of situations," because we are talking about a diplomat. The Supreme Court is the appropriate organ to deal with cases involving people with diplomatic immunity, Ruckauf added.

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"So far it seems that the participation of a federal judge is enough," the acting president concluded.

Interior Minister Interviewed

PY2410214595 Buenos Aires LA NACION in Spanish 24 Oct 95 p 12

[Interview with Interior Minister Carlos Corach by Jorge Monti "on the evening of 23 October"; place not given]

[FBIS Translated Text] [Monti] Now that 48 hours have passed since the attack, does the government have any idea of who could be responsible for it?

[Corach] No. We still do not have any idea. At this moment, the federal police are basically engaged in reconstructing the incident in an attempt to identify and place at the disposal of the courts the greatest possible number of eyewitnesses. Fortunately, we believe there are many witnesses, because the attack was perpetrated at 1900 in downtown Barrancas de Belgrano District. We have great confidence that, following the depositions made by the witnesses and the investigations that are promptly being conducted into the attack, we will have a better view of the incident.

[Monti] Are the motives known?

[Corach] No. We are not ruling out any hypotheses, but we cannot determine whether it was or was not an attack.

[Monti] After this episode, in addition to the attacks against the Israeli Embassy and the AMIA [Argentine-Israeli Mutual Association] headquarters, don't you think the government's image can be affected?

[Corach] Absolutely not, because the federal government is doing whatever is necessary to attempt to identify the people responsible, capture them, and subsequently try them. I want to point out that these incidents that are happening around the world require international cooperation and coordinated efforts among nations to successfully challenge them.

Therefore, the government's image has not been affected in the least. All the governments, including those of Iran and Israel, and the Jewish community in Argentina are clearly aware of the fact that the federal government is doing its utmost to identify the people responsible and place them at the disposal of the courts. I believe the government's greatest success would involve solving the two extremely serious and brutal attacks — against the Israeli Embassy and the AMIA headquarters — and now this incident.

[Monti] In the Argentine Government's opinion, was it a terrorist attack or a police incident?

[Corach] As I said before, the government cannot say for sure whether it was or was not an attack because it does not have the elements required to establish this at this time.

[Monti] On the evening of 22 October, the second secretary to the Iranian Embassy noted that, for his government, it actually was a terrorist attack. What is your opinion?

[Corach] It is a respectable opinion that we will take into account, but the results of the investigations will actually determine the nature of the crime. At any rate, the Argentine Government is guarding the Iranian Embassy members in Argentina as if this incident actually were an attack.

[Monti] Has it been established whether the assailant was waiting for him at the intersection of La Pampa and Arribenos streets, or whether the assailant approached him on a motorcycle?

[Corach] There are various reports from various depositions made at the courts. Nevertheless, they are merely reports. Some reports say the assailant and the person being attacked were struggling. Other reports say the assailant was waiting at the scene of the crime. As I said before, these are reports on which we cannot voice an opinion as long as the judge has not clearly passed judgment with regard to the type of crime.

[Monti] There are reports that the assailant spoke to the diplomat while attacking him. Was it possible to establish what language was used?

[Corach] No. I am not aware of this.

[Monti] Are you working on a specific lead?

[Corach] I understand that the federal police, the intelligence services, and the federal judge are working on various leads.

[Monti] Did the assailant act alone, or receive some type of support?

[Corach] This has not been determined. As of this moment, the information available to me indicates that the assailant reportedly acted alone.

Alleged Member of 'Telleldin Connection' Detained

PY2410224495 Buenos Aires TELAM in Spanish 1214 GMT 24 Oct 95

[FBIS Translated Text] Parana, 24 Oct (TELAM) — A man who allegedly is a member of the so-called "Telleldin Connection" and was wanted by the courts for his alleged involvement in the AMIA [Argentine-Israeli Mutual Association] bombing was detained on

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a street in the city of Gualeguaychu, in southern Entre Rios Province.

Cesar Fernandez, 24, allegedly is linked to Carlos Telleldin, who has been indicted for selling the Trafic van used in the AMIA bombing. Fernandez was arrested outside the local teacher training college by four plainclothesmen.

Fernandez' arrest, which was surrounded by unusual circumstances and allegedly involved policemen from Buenos Aires Province, occurred on 21 October, but was reported to the local media a few hours ago.

A police source reported that Fernandez went to Gualeguaychu to conduct a double deal: On the one hand, he was accompanied by the owner of a vehicle involved in an accident and, on the other hand, he planned to enter a deal with a workshop owner of this city.

Fernandez was actually walking on a street and talking to the workshop owner when he was intercepted by four plainclothesmen who, at gunpoint, handcuffed him and shoved him into a vehicle.

It was leaked in Parana that the detainee had been wanted by the Buenos Aires police and that Fernandez had allegedly been located through the workshop owner who, in light of the compromising situation involving him, allegedly supplied information to the Entre Rios police.

A local newspaper, which published the report, today noted on its front page that many Gualeguaychu inhabitants were not surprised by the fact that Fernandez had friends in that city, as Telleldin himself lived there for a few years, when he owned a video club.

UCR President Outlines Policy on Malvinas

PY2510004395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1704 GMT 13 Oct 95

[FBIS Translated Text] Buenos Aires, 13 Oct (NA) — Raul Alfonsin, president of the Radical Civic Union [UCR], today demanded that the national government submit to Congress the Oil Exploration and Exploitation Treaty, which involves the submarine platform of the Malvinas Islands, that was signed on 27 September 1995.

Alfonsin also demanded that Foreign Minister Guido Di Tella go before the two chambers of Congress in order to give a detailed explanation of the scope and repercussions that the treaty will have on Argentina's position with regard to the demand for sovereignty over the archipelago.

Alfonsin made these statements during a news conference that he gave at noon today to outline his party's position regarding the question of oil in the Malvinas.

Alfonsin was accompanied by Deputy Federico Storani and Engineer Jorge Lapena, who was in charge of explaining the technical aspects of the UCR's position.

In his statement, the UCR president stressed that "it is not true that there has been any progress in the recovery of the islands" with the signing of the treaty between Di Tella and British Foreign Secretary Malcolm Rifkind.

"Much less is there any truth to an assertion that we have agreed with the British on participation in the potential benefits with regard to the exploitation of oil," Alfonsin added.

In this respect, he stressed that with the signing of this treaty, "Argentina is presumably relinquishing the only effective instrument that the country has to prevent the United Kingdom from acting unilaterally to the detriment of our political and economic rights over our Malvinas."

To give a basis to his position, Alfonsin explained that one of the treaty's disadvantages is that the Argentine Government "must wait for the British to select the offers, to grant the concessions, and to sign the contracts" in order to come to an agreement on the payment of the royalties for the exploration and exploitation of oil with the contracted enterprises.

In addition, he considers that "the imbalance of the treaty is obvious," and he gave as an example the fact that "Argentina will be contributing with waters that have never been in dispute, while the United Kingdom will only be contributing with waters that are in dispute."

In his statement, Alfonsin stressed that the treaty is the "negative consequence of a mistaken policy of seduction on the part of the British." Thus he criticized the strategy that was used by Di Tella in his relations with the United Kingdom.

In this respect, and considering that the agreement "contains the necessary elements to constitute a treaty," Alfonsin demanded that the government submit to Congress for approval the text that was signed by the two countries.

"Considering that it is an international treaty, then in accordance with the Argentine Constitution, only Congress is empowered to validate the signature, supplied by the executive branch, on the document, and to approve the document itself," he explained.

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Furthermore, he warned that if this step is not complied with, the treaty could be annulled "due to the lack of appropriate approval," and that if it is annulled by Congress, the government must inform the British that "the signature of the Argentine foreign minister is not sufficient" for acceptance of the treaty.

He also demanded that Di Tella go before both chambers of Congress "in order to give the reports and explanations that could be required with regard to progress or retrogression in the process of recovering the Malvinas Islands."

Finally, he demanded that the government desist "from the current policy pertaining to the Malvinas," and that it not abandon "the defense of Argentine interests in the national and regional spheres, and even in the internal British sphere."

Deputy Criticizes Meeting on Malvinas

PY2510005495 Buenos Aires TELAM in Spanish 2209 GMT 24 Oct 95

[FBIS Translated Text] Buenos Aires, 24 Oct (TELAM) — Federico Storani, a UCR [Radical Civic Union] deputy for Buenos Aires Province, today emphasized that the meeting between President Carlos Menem and British Prime Minister John Major has further undermined the Argentine stance on the Malvinas Islands sovereignty.

In a communique, Storani points out: "As we emphasized when the joint declaration on oil [exploration around the Malvinas Islands] was issued, the Menem-Major meeting confirms that the Argentine stance on the Malvinas sovereignty issue has been significantly undermined."

The UCR deputy supported his stance, noting that Major "had established as a precondition the exclusion of the sovereignty issue from the agenda, which the Argentine Government specifically accepted through the remarks made by Foreign Minister Guido Di Tella and by Menem himself."

Storani added: "This represents a shameful waiver of our historical sovereignty claim."

Storani noted: "The boastful tone with which the joint declaration was presented, as the most appropriate path for regaining our sovereignty, was merely a smoke screen for domestic use that disappeared after the holding of the abovementioned meeting."

Commentator Views Argentine Economic Situation

PY2410132895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1801 GMT 18 Oct 95

[Commentary by Daniel Naszewski]

[FBIS Translated Text] Buenos Aires, 18 Oct (NA) — Setting aside the problem of unemployment, which is without a doubt the main problem facing the Argentine economy, it is clear that the national government's most serious problem is adjusting its spending to lower revenue levels and persuading (or pressuring) the provinces to do the same thing.

The nation and the provinces have the same problems as private companies and common people. They must adjust their accounts in this no-growth situation, where the Mexican crisis, first, and the government's harsh internal problems that started on 15 May, second, pushed the consumption curve down alarmingly while at the same time discouraging the investment drive of previous years.

The Argentine economy is very dependent on consumption taxes (Value Added Tax [VAT] contributes nearly 40 percent of all state revenues) therefore, the economic stagnation and the drop in consumption have reduced revenues, which today are below the levels of 1994.

Collections during the first nine months of the year dropped by about 5 percent in nominal terms compared to a similar period of last year, although with a warning: Most of the drop is due to the start, in August 1994, of the AFJP [Pension and Retirement Fund Managing Company] and the fact that a portion of all social security contributions (the 11 percent that is discounted from workers' salaries) are deposited in those private pension funds.

This single item meant a reduction of between 150 million to 200 million pesos per month in public revenue deposits and is the major factor causing the drop. In other words, and avoiding judgment on the social security reform, without the reform those funds would have gone to the national revenue service which — added to the VAT and custom taxes — would have totaled about the same as was collected last year, which is consistent with the forecast of zero growth that most private consultants predicted for 1995.

One could argue that VAT increased by 3 points, but also that we are arriving to a zero growth rate with internal consumption dropping by more than 3 percent even though exports are increasing by 30 percent during 1995. The consumption drop is compensated by the VAT increase. Exports do not count because they have a special regime of tax returns.

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With all these figures, which are not the least catastrophic from a fiscal point of view, it is clear that [Economy Minister Domingo] Cavallo's team must adapt to lower collection levels and spend less than before. The item is crucial because the convertibility plan obligates the government to maintain fiscal balance at all cost and forbids any type of non-genuine state financing, like the old recipe of issuing money, which ends up provoking more inflation and postponing problems without resolving them.

Analysts have no doubt that the economic team is working in three directions: First, respect the convertibility plan's fiscal aspects at all costs because it is the only way to ensure internal and external trust and guarantee the possibility of a sustained recovery of investments and demand; the second, work to reduce the country-risk rate so as to spur low interests rates, create more trust in markets, and, consequently, make possible a gradual return of deposits to the levels they had at the end of 1994, that is, at the beginning of the Mexican crisis. More deposits will mean increased credit capacity, which will not mean much unless the demand for credits or the willingness to again contract debts increases. This is why the key to the entire scheme is a slow recovery of trust.

Finally, the government is arduously working to convince provinces to implement their much delayed public accounts adjustment and adapt to the new reality because the federal revenue-sharing scheme is no longer growing as in previous years. Negotiations to get provincial states to transfer their deficit-prone provincial pension funds to the nation in exchange for a promise to reduce federal taxes between 5 percent to 15 percent is one of the tools, although not the only one in this struggle.

Therefore, the positive point about this moment is that the national government, despite its difficulties, is determined not to make the same mistake made so often by other governments, which spent more than what they collected. It will be hard, but it is necessary. Paradoxically, the less the state spends today, the quicker the recovery.

Bolivia

DEA Said Promoting Drug Interdiction, 'Ignoring' FELCN

PY2510015095 Cochabamba LOS TIEMPOS in Spanish 10 Oct 95 pp A1, A7

[FBIS Translated Text] La Paz, 9 Oct (LOS TIEMPOS) — The reports and conclusions delivered by the Special Antinarcotics Force (FELCN) on a binational operation, involving Bolivia and Peru, against a drug cartel headed by Luis Amado Pacheco Abraham, alias "Barbas Chocas," confirmed on the evening of 9 October that the interdiction actions in our country have been promoted by DEA agents, even ignoring the FELCN.

The preliminary reports, following the investigations into this case, have confirmed that the DEA actions were assisted and concealed by FELCN Intelligence Chief Colonel Gonzalo Butron, who, despite the fact that he was in charge of the operation carried out on 15 September, acted neglectfully before, during, and after the operation.

Police reports, collected at the FELCN commander's office, on 9 October indicated that the FELCN intelligence chief had concealed information from FELCN Commander General Simon Sejas Tordoya, retired, and FELCN Deputy Commander Fernando Tarifa, despite the fact that he was aware of the operation 48 hours before it was carried out.

It was also reported that the drug cartel leader, Luis Amado Pacheco Abraham, alias "Barbas Chocas," had been included on the DEA's "black list" since 1994.

Luis Amado Pacheco Abraham, along with his fraternity "Sambos Caporales Centralistas" of the city of La Paz, managed to receive a visa to enter the United States to participate in a Bolivian show in the city of Washington.

Why was Pacheco Abraham not detained at that time? Why did the DEA not take action in due time, if it was aware of the criminal drug-trafficking activities of Luis Amado Pacheco? Why was FELCN Intelligence Chief Colonel Gonzalo Butron not duly investigated for acting neglectfully during the 15 September operation? Why did the FELCN intelligence chief conceal information on the 15 September operation from his chiefs? These are some of the questions that have been raised after the preliminary investigations into Luis Amado Pacheco's "drug trafficking organization" were sent to the courts.

Peasants Report 'Coca-Eating Butterfly' in Yungas

PY2410133695 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 24 Oct 95

[Report by Rogelio Pelaez]

[FBIS Translated Text] An anti-coca butterfly has appeared in the Yungas region of La Paz Department. The General Trade Union Confederation of Peasant Workers of Bolivia [CSUTCB] has reported that a plague of butterflies has been detected in the region. It does not rule out that this may be the result of a laboratory experiment. CSUTCB Relations Secretary Hector Bravo commented on the coca-eating butterfly in the following terms:

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[Begin Bravo recording] Our comrades have told us over the past few days about a plague of butterflies, caterpillars, and insects that has been detected. These are wreaking havoc on the coca crops as they feed on coca leaves. [end recording]

Bravo said this insect belongs to the same species of butterflies detected in Peru and in Chapare. What is really interesting is that this off-white butterfly does not attack other crops, only coca.

Brazil

Cardoso Returns From New York Visit

PY2410134895 Sao Paulo AGENCIA ESTADO in Portuguese 1257 GMT 24 Oct 95

[FBIS Translated Text] Brasilia, 24 Oct (AE) — President Fernando Henrique Cardoso has just returned to Brasilia. He is now aboard a helicopter that is taking him to Alvorada Palace. He arrived a few moments ago at the Brasilia air base from New York, where he attended the celebrations marking the 50th anniversary of the United Nations. After conferring with Vice President Marco Maciel at the air base, Cardoso said good bye to the members of his entourage: Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia], and deputies Franco Montoro (PSDB-SP) [Brazilian Social Democracy Party] and Luiz Henrique (PMDB-RS) [Brazilian Democratic Movement Party]. Before boarding the helicopter, Cardoso conferred with his closest advisers. He declined to comment to the press. Clovis Carvalho, chief of the civilian household, said that President Cardoso yesterday talked by phone with Luis Eduardo Magalhaes, president of the Chamber of Deputies; and with Federal Administration Minister Bresser Pereira to learn about the status of the negotiations on the vote, scheduled for later today, on the administrative reform bill by the Constitution and Justice Committee of the Chamber of Deputies.

Diplomats 'Take for Granted' Security Council Seat

PY2410224295 Rio de Janeiro O GLOBO in Portuguese 23 Oct 95 p 13

[Article by Tales Faria]

[FBIS Translated Excerpt] New York — Brazilian diplomats take for granted that Brazil will be admitted as a standing member of the UN Security Council. The diplomats who are monitoring President Fernando Henrique Cardoso's performance during the commemoration of the 50th anniversary believe that this position was consolidated in the bilateral contacts that the president held on 22 October. Today the president will deliver a speech at the UN General Assembly, made up of leaders of approximately 185 countries.

In diplomatic jargon, the meetings that Cardoso held on 22 October with U.S. President Bill Clinton and Russian President Boris Yeltsin made it clear that, despite the fact that the matter was not addressed directly, both countries will vote for Brazil's membership in the Security Council. [passage omitted]

Cardoso Interviewed on Domestic Issues

PY2410133195 Rio de Janeiro Rede Globo Television in Portuguese 0900 GMT 23 Oct 95

[Interview with President Fernando Henrique Cardoso by Paulo Henrique Amorim in New York; date not given — recorded]

[FBIS Translated Text] [Paulo Henrique Amorim] Do you think that after four years there will be in Brazil a foreign, a U.S. company exploiting oil along the Brazilian coast and a European or Japanese company exploiting telephone services in the city of Sao Paulo?

[Fernando Henrique Cardoso] Yes, I do. I can calmly say that I do. The Brazilian Petroleum Corporation will continue to be a large enterprise, it will be competitive, and it will continue to grow very much. In the field of telephony, we can currently offer huge, excellent opportunities. In the case of oil, we are already taking steps to sign agreements with Venezuela in order to jointly exploit oil in Brazil and other parts of world.

[Amorim, interrupting] Mr. President, I am referring to the first team.

[Cardoso] Yes, the first team also. The first team too.

[Amorim] Therefore, President Fernando Henrique Cardoso can privatize the Rio Doce Valley company.

[Cardoso] Yes, he can. The process is already under way.

[Amorim] I will now mention another sensitive issue. I will give you a problem to solve. Let us look at the cases of the Sao Paulo State Bank, Banespa, and of the Economico Bank. Will Banespa remain in the hands of the Sao Paulo Government? Will the Economico Bank account holders have the same rights the Banespa account holders have?

[Cardoso] The Central Bank is seeking market mechanisms to allow the Economico Bank to continue functioning and, if the bank continues functioning, the account holders will receive the same treatment the Banespa account holders do. The situation of the two banks has been different because the Economico Bank account holders withdrew, or tried to withdraw, their money from the bank, and this has not occurred with Banespa. The Banespa problem resides in the fact that

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the Sao Paulo Treasury has a debt with the bank. It is not because the Banespa is a problem, because it is not. The Sao Paulo Government, however, has debts with Banespa. What the federal government must do is to solve the debts of all state governments. I do not want to solve the Sao Paulo Government debt problem only.

[Amorim] Therefore, the Sao Paulo Government can perhaps manage to pay its debt to the Central Bank and, as a result, continue controlling Banespa.

[Cardoso] If the Sao Paulo Government manages to do so, it will be able to continue controlling the bank, but I think that the Sao Paulo Government should not do that.

[Amorim] This means that you support the idea of privatizing Banespa.

[Cardoso] Yes, I do, and for the following reason. In the medium term, who can assert that another governor, Governor Mario Covas is extremely honest, but who can assert that it won't again happen to Banespa, what has already happened in the past? Who can assert that Covas' successors will not be similar to his predecessors? Who can assert that? Therefore, it would be very bad to give the future governors the possibility of employing this sort of instrument for political use. This is why this sort of bank is not necessary for the state governments. What they need are development banks. What do they need commercial banks for? It would be like giving them tools to exert political pressure, to favor certain people when granting them loans, to agree to interest rates that do not correspond to the effective value of the disbursed amounts. State government banks are like banks that print money. They are like banks that cause inflation.

[Amorim, interrupting] Like inflation-producing plants?

[Cardoso] Yes, like inflation-producing plants. Why should we do that? Why should a state government own a bank? Does this happen here in the United States? No, it doesn't. Are the results here bad? No, they aren't. Therefore...

[Amorim] So many expectations have been created regarding the administrative reform that, viewed from here, one has the sensation that the government cannot run the risk of losing when the proposal is voted on on 23 October. One has the sensation that this defeat would put at risk the fiscal reform, the social security reform, the end of government monopolies reform, and the privatization program. Would it matter if the government lost in the 23 October voting?

[Cardoso] No. It would not matter if the government lost in the voting, but it won't. After all, what does losing mean? In this case, it would mean that the government would lose support for one single item of the administrative reform. This item consists of rules to make job stability more flexible. If we want to say it more directly, we can say it consists of putting an end to job stability. It is not merely a case of dismissing people, but of establishing theoretical conditions that will allow the state governments to adjust their needs to their budget resources.

[Amorim] You have been saying that this problem is shared by the Union, the states, and the counties as well. Leaving the state and county governments aside, if this law is approved the way the federal government would like it to be approved, how many public employees and how much money would be involved in the redrafting of the federal government payroll?

[Cardoso] The federal government payroll this year, [corrects himself] for next year, which is included in the 1996 budget, will total 40 billion reals [R]. Two or three years ago, the payroll totalled only R16 billion. The sum is increasing, although the number of public employees is not. What is the problem? The problem is that in Brazil, when public employees retire, they begin to receive an average of 20 percent more than they did while they were working. This is nonsense. There are cases in some states of people who really receive a lot of money, but their number is small. The amount they receive, however, is a huge portion of the state governments' funds. The sad aspect of these problems is that the governor can do nothing. He can only watch his payroll increase. As a result, the state government has to contract debts every month to be able to pay for its public employees' salaries. All counties combined must have some 5 million public employees, the states have some 3 million employees, and the federal government has 1 million. Therefore, the state and county governments have the biggest problems and it is in these governments that the number of dismissals can be large.

[Amorim] If the federal government decides to reorganize its cadres in accordance with this need, if the federal government decides to implement an engineering method to solve this problem, as this mechanism is called in the private area, won't this indicate that the federal government is finally willing to implement a profound fiscal reform?

[Cardoso] Yes, it will, and I will add something to that. It will not only allow a profound fiscal reform, but also allow the government to pay better salaries to public employees. The government cannot, however, decide to simply to dismiss public employees en masse, as has often happened in the past, because people must work,

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must have jobs. This is why rules must be implemented the way they are implemented in the private area. Will the government pay severance pay? Yes, it will have to. Will there be a deadline for doing that? Yes, there will have to be a deadline. Will there be criteria to do that? Will the less effective employees be dismissed first? Will those who do not have children to feed go first? Yes, there must be criteria for all that. This is what I would like to see Congress discuss in order to prevent a governor, or the president of the Republic if this is the case, to use this reform proposal to politically harass someone. Once a position is dismantled, it cannot be established again. Otherwise, the position is dismantled today and reestablished tomorrow. What is happening is that people say job stability will end, everybody will be dismissed. This is not what it will happen. Very much the opposite. If there are no rules allowing the government to make the administrative apparatus more modern, the governments will not be able to pay their employees. Is this part of the fiscal reform? Yes, it is. Is it part of the adjustment that will make the real genuinely stable? Yes, it is. A vote against the administrative reform is, in reality, a vote against stability. It is a vote for inflation.

[Amorim] Mr. President, what about the fear the government experienced last week or, in other words, what about this prudent attitude of postponing the vote for one more week? Wouldn't a thorough cabinet reshuffle solve this problem?

[Cardoso] I don't think so. I think that nowadays things are different. What happens is that, no matter what minister you appoint, you will have in Congress people who are linked to individualistic interests, many of them legitimate. This occurs because, currently, congressional representation is very much fragmented. One congressman will be linked to the interests of public employees, others to the interests of small enterprises, of large enterprises, of banks. All this, however, is part of the modern democratic life.

Approval of Reform Draws Civil Servants' Anger

PY2410184195 Sao Paulo AGENCIA ESTADO in Portuguese 1754 GMT 24 Oct 95

[FBIS Translated Text] Brasilia, 24 Oct (AE) — In the middle of public servants' angry reactions to the end of job stability, several lawmakers found it difficult to enter or leave the hall of the Constitution and Justice Committee (CCJ) of the Chamber of Deputies, which today approved the admissibility of the administrative reform proposal based on an agreement between party leaders and Administration Minister Bresser Pereira. During an interview with a radio station — granted near the hall's back door — Brazilian Social Democracy Party leader Jose Anibal (Sao Paulo) heard many complaints against him and against the other CCJ members. "Nazis, thieves, down with the pact," the servants shouted, making people force their way into the hall. All CCJ members who passed through the door heard strong words. Anibal managed to enter the hall, in which there were some guards. From the hall, he challenged the demonstrators: "Come one at a time," he said. He then decided to leave through the front door, but he had to walk in the middle of demonstrators. He was at one time cornered by the demonstrators. Inside the room, nervous Liberal Front Party leader Inocencio Oliveira (Pernambuco) jokingly said to PFL deputy Benito Gama (Bahia): "Benito, can we get out of here through the window?" Oliveira and other lawmakers also had to make their way into the demonstrators, listening to their shouts.

Lampreia: Chile Main Foreign Relations Priority

PY2410231295 Madrid EFE in Spanish 1217 GMT 23 Oct 95

[FBIS Translated Text] Brasilia, 23 Oct (EFE) — Brazilian Foreign Minister Luiz Felipe Lampreia has said that Chile is, "beyond all doubt," Brazil's main foreign relations priority.

After consolidation of the Common Market of the South (Mercosur), which also includes Argentina, Uruguay, and Paraguay, Brazilians believe that rather than approaching the North American Free Trade Agreement (NAFTA), they should concentrate their efforts on the rest of South America.

"The U.S. Congress does not seek the expansion of NAFTA. To the contrary — at least over the next two years, NAFTA is very unlikely to undergo any expansion."

"At this moment, what we have to do is strengthen our relations with South America, with partners who have shown their desire to reach an agreement with us. This begins with Chile, which is — beyond all doubt — our main priority."

Lampreia emphasized the positive results of the meeting between Brazilian President Fernando Henrique Cardoso and Chilean President Eduardo Frei on 16 October in Bariloche (Argentina), which hosted the Fifth Ibero-American Summit of Heads of State and Government.

Frei confirmed that next year he will visit Brazil, and that he will bring a delegation of several Chilean entrepreneurs interested in trade and investment in the country.

The main Chilean electric power enterprises, private pension funds, and financial service enterprises are

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strongly interested in the privatization process undertaken by the Cardoso administration.

The Chileans are also negotiating a free trade agreement with Mercosur, which is going through a difficult phase of negotiations over the rate of reduction of tariffs and the affected sectors.

'Scandal' Prompts Request for Federal Intervention in Acre

PY2410125395 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 23 Oct 95

[FBIS Translated Text] Acre Governor Orleir Cameli has asked for federal intervention in his own state, in an effort to defend himself against charges of implementing projects without tenders, using counterfeited documents, and pledging more than 50 percent of Acre territory.

It was the construction of this highway in the middle of the jungle which led the courts to investigate the activities of the Acre governor. [video shows highway under construction] The highway can link Brazil and the Pacific ocean through Bolivia and Peru.

The problem was the procedure through which the Acre government obtained the $165 million for building the highway.

The Acre government borrowed the money from a Colombian enterprise which, according to the Federal Police, is reportedly involved in drug trafficking.

The most shocking thing, however, is that this document states that in order to guarantee the loan, the Acre government intended to pledge almost two thirds of the state territory. [video shows document] The Colombian entrepreneurs would be allowed to exploit part of the Acre territory — the way they wanted — for 10 years.

The federal attorney's office began a prosecution to investigate the charges. The governor right away cancelled the proposal, which provided for lending part of the Acre territory to a Colombian enterprise.

This action by the governor, however, did not relieve him from an unprecedented scandal in Brazilian history. The federal attorney's office discovered that the governor had nothing less than four CPF's [Individual Taxpayers Register] and two identification cards.

One of the CPF's was obtained for the exclusive purpose of registering his candidacy to the Acre governorship last year.

The evidence was found in the commercial board. Each one of the governor's private enterprises was registered under a different CPF. This document bears the numbers of the governor's two indentification cards.

Federal Attorney Luiz Francisco de Souza refused to be interviewed, but showed documents supplying further evidence of the governor's involvement.

One of the documents reveals that the Rio Branco first aid station is being built without a previous tender.

[Begin recording of Accounting Court President Helio de Freitas] He did not comply with the law, managing the state as if it were its own enterprise. [end recording]

The governor blamed the idea of exchanging part of the Acre territory for a loan on his own inexperience. Concerning the first aid station, he explained that it was considered an emergency project, for which reason no tender was necessary.

The governor swore that he obtained new CPF's and identification cards because he lost the originals, blaming the accountants and lawyers of his enterprises, who inadvertently used the numbers of the old documents.

[Begin Governor Orleir Cameli recording] I asked the president to order an intervention in the state in order to investigate my irregular actions. If I am found guilty, let them punish me. But if everything is a lie, let this story end right away. [end recording]

Mrs. Clinton's Bahia Visit Favorably Seen

96SM0006A

[FBIS Media Note] Leading Brazilian newspapers carried straight reportage and front-page photographs, accompanied by scant editorial comment, on First Lady Hillary Clinton's activities in Salvador, Bahia on 15 and 16 October. Radio, television, and the Sao Paulo news agency AGENCIA ESTADO likewise provided factual reportage.

Highlighting Mrs. Clinton's visits to Salvador's "Cidade Mae" and "Axe" projects, AGENCIA ESTADO on 15 October favorably detailed the First Lady's enthusiastic and "moved" response to the programs designed to promote the social rehabilitation of abandoned children. Noting her support for the maintenance of U.S. Government aid programs to Third World countries, the news agency quoted Mrs. Clinton as saying that the United States over the past 50 years has been giving countries like Brazil, Mongolia, and Nicaragua the "tools" to set up liberal democracies and to make efforts to solve their problems.

Reiterating a theme echoed in the Brazilian media throughout Mrs. Clinton's visit, independent Rio de Janeiro daily JORNAL DO BRASIL of 15 October opined that the Brazilian and U.S. First Ladies "have much more in common than just being the first ladies of their respective countries." The commentary pointed

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to the academic and professional accomplishments of both women, observing that they have both "refused to comply with the protocol role assigned to the president's wife." The paper went on to laud Mrs. Clinton's efforts to reform the U.S. health care system, noting that she "tirelessly fought" for the reform to "serve the interests of poor people."

On 16 October, JORNAL DO BRASIL reported on Mrs. Clinton's luncheon with prominent Brazilian women, including opposition Workers Party Senator Benedita da Silva. The report cited Senator da Silva as reflecting that Mrs. Clinton's visit has served to dispel the prevailing impression abroad that Brazilians are doing nothing to correct their myriad problems. "Mrs. Hillary Clinton's visit," she remarked, "has been instrumental in showing that we do have initiative."

Roundup of Economic Reports Through 24 Oct

PY2510022495

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 24 October:

BASIC LEADING INDICATORS

The government foresees that the next harvest will be 9 percent smaller than that of 1994-95, when a record 81.1 million tonnes of grain were harvested. The estimate is that the 1995-96 harvest will reach a figure somewhere between 73.8 and 77.4 million tonnes. Agricultural Policy Secretary Guilherme Dias expressed his surprise, since "there were forecasts that the drop would be greater than 10 percent." The National Supply Company, Conab, says that the main reason for the drop is the decapitalization of producers. The reduction of cultivated area could reach 2 million hectares. On 18 October the government renegotiated the agricultural debt. Producers will have six years to pay their debt at a lower interest rate. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Oct 95 Section 1 p 1)

Daniel Oliveira, employment and salary secretary, announced on 23 October the results of a poll showing that the employment rate hit its lowest point of the past 12 months in August in all sectors except for public administration. The manufacturing industry was the most affected, with the elimination of 71,468 jobs, particularly in the textile industries, where 24,000 jobs were eliminated. The following indicates the number of jobs eliminated in various industries: metalworks, 11,500; transportation materials, 9,900; services, 19,847; and commerce, 18,457 jobs. (Sao Paulo AGENCIA ESTADO in Portuguese 1954 GMT 23 Oct 95)

FINANCIAL OPERATIONS

The government will invest 5.5 billion reals in the modernization of the Brazilian telecommunications system throughout 1996. Communications Minister Sergio Motta has said that this is the largest investment made by the sector in its entire history. The private sector will add to this figure. According to government calculations, the sector will absorb about 34 billion reals by 1998, and 76.7 billion by 2003. These figures are detailed in the Telecommunications Action Program, Past, which Minister Motta will soon announce publicly. The program envisages an ambitious goal: To eliminate, in the next eight years, the waiting list for telephone lines, by expanding the cellular telephone system, modernizing telephone centrals, and allowing private companies to exploit cable television and satellite television transmissions. (Rio de Janeiro O GLOBO in Portuguese 22 Oct 95 p 59)

Siemens has announced that it intends to increase its share in the Brazilian computer market. The new strategy envisages the main goal of increasing sales in Brazil by 50 percent by 2000, that is, from $1 to $1.5 billion. Bernd Richter, Siemens assistant director for Latin America, said that the company intends to increase exports either from Germany or through joint ventures. The first step will be the sale of laser printers and banking automation systems, especially electronic registers, through a representative called Bastek, which is a subsidiary of Bamerindus Bank. In the medium term, Siemens is analyzing the possibility of manufacturing in Brazil the Siemens Nixdorf line of computer products. Siemens has also decided to invest approximately $50 to $100 million per year over the next five years to modernize its installations in Brazil. Siemens Brazil manufactures electricity transmission, distribution, and generation equipment and machinery, as well as telecommunications equipment. Siemens Brazil must also increase its sales in Paraguay and Bolivia. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Oct 95 Section 2 p 3)

Asia Motors Corporation Director Shin Jun-lee announced on 23 October in Sao Paulo a $500 million investment in a new factory in Brazil. The company, whose share composition is still under formation, will produce 50,000 units of Towner and Topic vehicles per year. The arrival of Asia Motors also represents the arrival of its partner company Kia Motors. Shin Jun-lee also announced that Korean car parts suppliers are interested in opening subsidiaries in Brazil. In addition, in August the Korean companies Hyundai and Samsung had revealed to Dorothea Werneck, Brazilian industry and commerce minister, their intention of manufactur-

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ing cars in Brazil. (Sao Paulo AGENCIA ESTADO in Portuguese 0119 GMT 23 Oct 95)

The participation of foreign investors in the total movement of the Sao Paulo Stock Exchange, Bovespa, reached a record 28.4 percent in September. Their participation was concentrated on cash operations. The Bovespa financial movement in September reached $5.4 billion, with a daily average of $272.3 million. The Bovespa was responsible for 91 percent of the total movement of all the stock exchanges in Brazil in September. (Sao Paulo AGENCIA ESTADO in Portuguese 1808 GMT 18 Oct 95)

FISCAL, MONETARY ISSUES

According to the Central Bank, between January and September, $38 billion entered the country, taking into account direct investments, applications in the financial market, stock exchanges, cash loans, and several kinds of financing. New loans alone amounted to $11 billion. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 95 p B1)

TRADE ISSUES

The Foreign Trade Chamber has decided that the exporting industries most affected by the Real Plan, that is, the textile and shoe industries, and eventually marble, granite, and ceramics, will receive subsidies from the Export Financing Program, Proex. Traditionally, the Proex has subsidized only capital goods. With the inclusion of new products, the rules of the Proex, which grants loans that can be repaid in 10 years, will offer more attractive conditions for loans that can be repaid within three and five years? The Proex resources are used to reduce the interest for financing contracted by the exporters. This reduction is currently 1 percent for one-year loans, and it increases gradually to 3.5 percent. This benefit will increase for short-term loans. (Sao Paulo AGENCIA ESTADO in Portuguese 2207 GMT 23 Oct 95)

Chile

Daily Views 'Common Sense' of Hillary Clinton's Speech

PY2410023795 Santiago LAS ULTIMAS NOTICIAS in Spanish 23 Oct 95 p 23

[Editorial: "The Voice of Wisdom"]

[FBIS Translated Text] Tradition assigns to women a powerful common sense that corrects the male tendency to speculate and connects theory with reality. Males, who are more prone to ideas, are always ready to build castles in the sky. Women, however, compensate for idealism with good sense. One of the most severe criticisms made of politics is its disconnection with the real problems affecting people. This is why some people advocate the need to make public service more "feminine" oriented so as to connect it with everyday problems.

The U.S. first lady seems to confirm this point of view. After ending a recent tour through Latin American countries, which included Chile, Hillary Clinton attended the Fifth Conference of First Ladies of the Americas. This summit gathered those women who are close to power but who do not exercise it directly. In her speech, which was exempt from any rhetoric, Mrs. Clinton referred to facts.

In her speech, Mrs. Clinton outspokenly referred to the strong inequalities affecting women and children of this planet. They are the main victims of the poverty affecting a world managed by men and adults. Hillary Clinton said: "No country of our hemisphere can assert that it dresses, houses and educates all of its children; none can assert that it treats all women with dignity and respect."

There is no doubt that the strengthening of a free economy and a democratic system should be achieved through the full social integration of women. Among other things, their presence will help us to be more realistic and to subordinate political debate to the demands of the needy.

New Air Force Command Members Appointed

PY2510005695 Santiago EL MERCURIO in Spanish 13 Oct 95 p C5

[FBIS Translated Text] The Chilean Air Force, FACH, ended the annual promotion board process for 1995 with the creation of the 5th Air Brigade based in Antofagasta, the promotion of five colonels, and the retirement of three generals.

During the week, President Frei approved the promotions, retirements, and the new FACH high command for 1996 as proposed by the FACH commander in chief.

An official communique issued by the FACH says that the following brigadier generals will retire: Carlos Alvarez Kraemer, Leon Dufey Treskow, and Oscar Boronig Seiltgens.

In Air Force Operations (Escalafon del Aire), Brigadier General Enrique Montealegre Jullian was promoted to Air Force general.

The following colonels were promoted to brigadier: Luis Berrios Carrasola, Bruno Ugatti Gemianini, Ettore Rossi Zerega, and Carlos Schwemmer Diaz.

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In the Air Force Health Service, Colonel Sergio Olmedo Droguett has been promoted to brigadier general.

The FACH high command for 1996 is comprised as follows:

Air Force Operations: General Fernando Rojas Vender, FACH commander; General Jaime Estay Vivero, Chilean Air Force attache in the United States; General Maximo Venegas Fuentes, chief of staff.

General Raul Tapia Esdale, National Defense chief of staff; General Enrique Montealegre Jullian, Personnel Department commander; Brigadier General Florencio Duble Pizarro, head of the Logistics Command; Brigadier General Egidio Machuca Ramos, Civilian Aeronautics director general.

Brigadier General Eitel Von Muhlenbrock Hevia, commander of the 4th Air Brigade; Brigadier General Marcos Meirelles Guzman, commander of the 3d Air Brigade; Brigadier General Ricardo Bermudez Sanhueza, Social Welfare director; Brigadier General Alejandro Huerta Forch, commander of the 1st Air Brigade.

Brigadier General Luis Berrios Carrasola, commander of the 2d Air Brigade; Brigadier General Bruno Ugatti Gemianini, Intelligence director; Brigadier General Ettore Rossi Zerega, commander of the 5th Air Brigade; Brigadier General Carlos Schwemmer Diaz, Special Training School director.

In the Engineering Department: Air Force Brigadier General Antonio Aparicio Mery, head of the Engineering Command.

In the Air Force Defense Department: Brigadier General Leonardo Prado Alvarez, Anti-Aircraft Defense and Telecommunications director.

In the Administration Department: Brigadier General Paulino Villafaena Morales, Finances and Administration director.

In the Justice Department: Brigadier General Adolfo Celedon Sandoval, auditor general.

In the Health Service: Brigadier General Sergio Olmedo Droguett, Health Department director.

Public Works Minister Lagos Interviewed

PY2310164095 Santiago EL MERCURIO in Spanish 8 Oct 95 Sunday Magazine pp 5-6

[Interview with Ricardo Lagos, Chilean public works minister and prominent Chilean Socialist Party leader, by Maria Eugenia Camus at the Public Works Ministry in Santiago; date not given]

[FBIS Translated Excerpt] [Camus] Public opinion polls rank you first among the personalities of the Coalition of Parties for Democracy, CPPD. How do you feel about that?

[Lagos] I am glad to see the people like what the Public Works Ministry is doing. I imagine every ministry employees is as pleased as I am. I see it as a sign of support for the administration, especially for the president who has made the development of Chile's infrastructure one of his priorities.

[Camus] Don't avoid the issue. What do you have to say about the fact that you are being seen as the first choice for future presidential elections?

[Lagos] This is not the time to start thinking about elections but about doing our job better within this administration. That is why I am pleased that I have been given good grades. It means I am a minister who does his job well. [passage omitted]

[Camus] The opposition feels that no sooner had the president uttered his recent remarks, and the problems started. Alberto Cardemil [National Renewal Party, RN, political committee member] said about the president's remarks that the left started showing its claws as soon as it heard about the reforms.

[Lagos] They do not understand how a democratic system works, namely, through a set of rules and regulations that are accepted by all, or at least agreed upon by the majority in a given country. Anyone reading recent Chilean history will realize that not everyone agreed to the rules we now have. It is not a question of showing one's claws, but of wanting a democratic Constitution. This is quite simple, you can find it in any textbook on constitutional doctrine. There are still many people who know they will be a minority for many years to come, and they refuse to follow the steps of others who in the past supported the dictatorship and are now playing by democratic rules. The former want to maintain an institutional framework which creates authoritarian pockets and allows them to retain their quota of power.

[Camus] The opposition does not want the Constitution torn to pieces.

[Lagos] The other day somebody told me this and I laughed and answered: "No, we do not want to tear it up, the only thing I want is for 60 percent or 40 percent to mean just that." We obtained 60 percent of the votes for senators but we have a minority in the Senate. That is not democratic. I pointed out that in 1993 we and the opposition got the same number of senators. In each voting district we elected one senator and they elected one senator, but we got 60 percent of the votes and they got 40 percent of the votes. Nobody has been able to refute me on this. It is just one example.

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[Camus] There is a feeling that seven years after the plebiscite Chile is again divided over the "yes" or "no" choice and positions against or for the changes are getting more and more radical. Is the transition losing ground?

[Lagos] The people voted for many things on 5 October 1988. They voted for the right to elect a president, we have done it and we have been successful. The people also voted for respect for human rights, and they are being respected. People in Chile no longer fear they may be forcibly taken from their homes at night. As far as institutionalization goes, our progress has been much slower. We have elected mayors and city council members, not quite the way we would have liked, but we did it anyway. There are pending issues that have not been dealt with sufficient political determination. I believe the CPPD miscalculated that the reforms would be approved by a solid CPPD-RN majority. It did not happen.

[Camus] What is happening to the CPPD? Has it lost its allure, its way of dealing with problems?

[Lagos] Of course, many people believed it would be better, more appropriate, to tone-down mobilizations and create an atmosphere of tranquillity so as to better govern the country. I am not sure it was the right strategy but the fact is, to some extent, we lost touch with the people. We have said that the victory of the "no" vote at the plebiscite was an epic feat. Once it was over, however, it was time for a policy of agreements because one has to start building, and it is necessary to eliminate points of friction.

[Camus] It has not, however, replaced the leading actors of the previous play, or their parts.

[Lagos] You are right. Once you have a certain degree of consensus, some people think one person is the same as another. That is not the case. There are different backgrounds that go a long way back, and different viewpoints. The bills that President Frei recently sent to Congress, and everything that has happened since, clearly shops a consensus is still far away. We may find a solution to one particular issue, but this does not mean the transition is over, as many people may have thought.

[Camus] Do you mean the CPPD's consensus-seeking strategy has made it vulnerable and has weakened it politically?

[Lagos] That may be one way of looking at the problem but I am sure that deep inside the people feel that, regardless of whether it gets high grades or low grades, the CPPD is the only coalition capable of ruling the country. The CPPD should acknowledge that we are in the middle of a transition from dictatorship to democracy, but there is another transition which is broader and much more difficult to handle.

[Camus] What is that?

[Lagos] It has to do with achieving a more modern and homogeneous country. It is true that the number of poor people has been reduced by 1.5 million, but it is also true that our current income distribution is more unfair than before. Income distribution in modern countries is much better than ours. Furthermore there are certain values and cultural aspects that are expressed and respected there. Modern countries do not sponsor narrow-minded approaches that allow certain ideas to be expressed while banning the rest. I found the picturesque debate that took place just before the Beijing Conference somewhat pathetic. It was kind of parochial. All this tells us that there are many areas in which the CPPD must work hard.

[Camus] What do you mean?

[Lagos] The CPPD has gone through several stages, one was the "no" vote, the Aylwin and Frei administrations are the second stage, but there is still a third stage which poses the challenge of bringing Chile into the 21st century. This will have to be done by the CPPD, or it will not get done.

[Camus] Critical CPPD members claim that the coalition manages power well but it does not have a clear-cut project.

[Lagos] The CPPD is not an offspring of the "no" vote, it was born long before the 1988 plebiscite. It was conceived within the Group of 24, the Democratic Alliance, and the debate groups. That is where the initial ideas and plans came from. Then came the pressures of managing the country, of making decisions. Perhaps we need a new cross-section party, not just to straighten out the administration but to straighten out the projects that the CPPD should propose in this new phase of the transition. This is a very important task because it is obvious that the right will remain a the minority for years to come, holding on to the legacy of the dictatorship.

[Camus] You have said that when people talk about the CPPD they think about Government House and see the faces of the ministers. What is the matter with Jorge Schaulsohn [Party for Democracy, PPD, secretary general], Alejandro Foxley [former finance minister and prominent Christian Democratic Party, PDC, member] and Camilo Escalona [Socialist Party, PS, deputy], don't they have a profile of their own?

[Lagos] No. I have a great deal of respect for them, but when one is in the opposition there is only one

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great political battle front. When one is part of the administration there are at least three battle fronts: the administration, the parties, and the civilian society which supports the administration but also wants to express its opinion. The two situations are different. The CPPD has a leader, namely the president of the nation, who expresses himself through his team. That is what the country sees, but even though the president and his team represent the coalition it is not their job to design the long-term course of action. Frei and each of his ministers will be judged for what they accomplish between 1994 and the year 2000. The CPPD must begin to think about remaining in power after that date, just as during the Aylwin administration we were thinking about what we would do at the end of his term in office. This means that we must create the appropriate organizations and working methods to perform this task.

[Camus] The bottom line is that nobody questions Frei's leadership; it is just that Lagos is more Freish than Frei.

[Lagos] All the ministers are Freish. The president displayed a lot of courage when he restored a transition process that had broken down. It meant doing something that I believe he did not expect to have to deal with during his administration. He expected that his administration would essentially tackle economic and social issues. At some point, however, he realized that institutional and political shortcomings could jeopardize the social and economic process.

[Camus] Did Frei's speech and proposal take you by surprise?

[Lagos] No. Whenever I talked with him I saw he was carefully and maturely thinking things through before making a decision. He knew very well that once he brought the subject up, there would be a strong reaction. I remember many people telling him: "This is not the right time to do this, Mr. President. You do not have the strength, Mr. President. You must reach an agreement with the opposition, Mr. President." When he finally called a cabinet meeting and laid his proposal before us, I asked permission to speak and said that it was our duty to support him wholly. The ministers usually support the president, but it was necessary to display this support and the parties should rally in support of the proposal the president laid before us.

[Camus] Was it your decision or did the President ask you to convey the same strong message to the PPD and the PS boards?

[Lagos] I did it on my own. I told Interior Minister Carlos Figueroa what I was planning to do and explained that I felt the president was taking a very important step and needed the full support of the parties. The CPPD had to be rallied around this proposal. Events have proven me right and things are moving along. I am not involved in the everyday activities of the political team, so it is just a matter of reading the articles in the press.

[Camus] It would seem that your relationship with the interior minister has changed as well. Does he keep you informed?

[Lagos] Our relationship is very good, and he certainly keeps the ministers informed. I am one of them.

[Camus] The latest signs, however, show a hardening of positions not in keeping with the somewhat optimistic picture you present.

[Lagos] It is really very simple. The president's proposals have broad public support, so they can either be accepted now or left for another more appropriate time. The important thing is that a decision has been made. We must all understand that the political situation and Chile's international image are at stake here. I have just come back from abroad. Chile's image has changed over the past three months. The perception abroad is that civilian-military relations have deteriorated in Chile, and that the country lacks firm political leadership. That is very serious. I hope that the Contreras affair will be properly resolved and that this will put things back in place. We have said many times that ours was a peculiar transition, but even peculiarity has a limit.

[Camus] To what do you attribute General Augusto Pinochet's loquaciousness?

[Lagos] I believe the Armed Forces have decided to speak for themselves without relying anymore on the spokesmen of certain parties. These spokesmen frequently seem to be speaking for military groups rather than political parties. It is very counterproductive for corporate military interests to be conveyed through these spokesmen. Those who have the monopoly of arms must realize that this is a decision of society, which implies that they cannot engage in saber-rattling because it undermines the democratic system. This is one of the points the "no" vote changed. The subordination of the military is a basic premise for the organization of any given society.

[Camus] Was Pinochet trying to voice the corporate feeling of the Armed Forces, or was he reestablishing himself as the leader of the right, which appears to be somewhat disorganized?

[Lagos] I do not have a definite opinion about this, but the thing that worries me most is how can our political spectrum include rightwing parties that are subordinated to and the mouthpieces of military power. This type of political parties can never become a government option!

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To stay in politics, they must involve the military in political activities. That is a contradiction in terms.

[Camus] There is some skepticism within the PPD. People are saying that once General Contreras is in Punta Peuco prison, it will be impossible to reach an agreement on the president's proposals, or on aspects of these proposals. Do you share this opinion?

[Lagos] No, but I believe that negotiations have entered a sensitive stage. President Frei, however, has categorically stated that human rights cannot be subjected to a statute of limitations.

[Camus] There is some talk about a "quid pro quo," namely, Contreras goes to Punta Peuco and in exchange for a limit of two years on investigations into cases of arrested and missing people. Will this be part of the negotiations between the defense minister and the Army?

[Lagos] I do not believe it is a feasible option. Someone must be responsible for the missing people. Somebody will have to tell us what happened. We all want to look into the future, but first we must know the truth. The president has submitted an overall proposal which means it must be tackled as a whole. Legal systems must be respected, so I do not believe Contreras' situation is negotiable. If one knows what happened to a missing person, that he or she is dead, and that this happened under certain circumstances, then one knows the truth, then one can take the next step forward.

[Camus] The next set of reforms, you mean?

[Lagos] The president has submitted a common-sense proposal. He is the country's chief executive, yet he cannot remove the commanders in chief. How can a president ask for a vote at the National Security Council where he is bound to lose? I would like the rightwing to come out openly against the reform, because it will have to pay a political price for doing so. They have been unable to throw the reform proposal out of Congress since Frei addressed the country. The proposal is still in congress despite all their efforts, although at first they were sure that it would not last 24 hours. If no agreement is reached it would mean the proposed reforms will be an issue at the coming municipal and congressional elections. The citizens will pass judgment on the right through their votes.

[Camus] The PDC chairman has said that once Contreras is in Punta Peuco the atmosphere will clear up a bit. Do you believe this alone will be enough to clear the atmosphere?

[Lagos] It will make certain things easier. The situation will start returning to normal. Sentenced people should be in prison serving their sentences. I would not, however, take it as a concrete sign of anything. That alone will not be enough to clear the atmosphere and reduce the smog.

[Camus] Even though the PS and the PPD acknowledge your leadership, there has been a cooling of relations since January. How are your relations with these parties?

[Lagos] Very good. My relationship with the two parties, their chairmen, then executive boards, is very fluent. Whenever there are key issues to be discussed I meet with them, express my opinion, sometimes I even go the appropriate committees. My impression is that relations have improved since January, since the passing of the bill on imprisonment of the military.

[Camus] On that occasion they backed up the cabinet and criticized you for displaying independence by submitting your resignation.

[Lagos] I believe there is a prison for Contreras specifically because Lagos did refuse to sign the decree. I refused to sign the decree ordering the speedy construction of a prison, arguing that there was no point in building a prison if the sentenced gentleman was going to serve his sentence at a regiment. First, we needed a bill to prevent retired military men sentenced by the courts from serving their sentences at military units. This bill was drafted and fortunately Congress approved it within 15 days. Since then I have been asking myself: Had I signed that decree, would Congress have passed the bill in just two weeks. The current debate on whether Contreras goes to prison or not is possible because a law was approved in January after I refused to sign a decree. I believe this is clearly understood.

[Campus] The issue of your political allegiance continues to be a thorn in the side of the PS. Ricardo Nunez [PS political committee member] said the socialists cannot wait for Lagos to make up his mind. Do you find it easy to maintain a divided allegiance [to the PS and the PPD]?

[Lagos] It is not a question of waiting for me to make up my mind. It seems reasonable for me that the PS and the PPD should walk hand in hand regarding certain projects, and I would like to have a chance to work for this. I believe that to accomplish this in my current capacity as public works minister, I must keep in touch with both parties.

[Campus] Are you worried that the two parties may reach the conclusion that their points in common do not include your leadership?

[Lagos] No, no. Agreements should be sought on the basis of political projects, not individuals. I want to

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believe that my pending project is to put together a great political movement that would include the PS and the PPD but would go beyond them, a center- left movement capable of meeting modern Chile's needs in the next century. This is a pending task for all of us. I am convinced that we must broaden our call for participation. The citizenry by and large is disillusioned with politics because they are not being offered proposals that could arouse the majority. That is the pending task.

[Camus] It is quite a challenge if you take into account that the two parties together do not match the support enjoyed by the PDC. It would seem the PDC has more allure?

[Lagos] At the latest congressional elections the PS-PPD together obtained between 25 and 26 percent of the votes, but they can grow further. This is one of our pending tasks. The youth is not interested in the political parties but still they participate in mobilizations like the one against the French nuclear tests in Mururoa. The people focus too much on day-to-day affairs and little thought is given to long-term issues.

[Camus] Is this inability to focus on the long term getting worse in your group within the CPPD?

[Lagos] It is the CPPD's duty to rise to this great challenge. Following our recent commemoration of the "no" vote anniversary, I could draw you a political map of Chile and tell you what happened in each town at the time of the plebiscite.

[Camus] Like what?

[Lagos] Like the fishermen who invited me to a wonderful luncheon in Mejillones, or a group of friends in Natales who met me somewhat scared under the rain. It was the first time they got together. I can also tell you about the youngsters in Quillota who asked me to drop them off in Catemu after a meeting and they realized that I wanted to take a look at the "no" vote sign. "We look at it all the time, sir," they told me. I went with them to a hall where 40 youngsters were looking at the "no" vote sign. They were surprised to see me there and they went around town telling everyone that Lagos was in Catemu. There is a story about every town. What happened then? What was the rallying element for the boys in Catemu? We gave them something concrete to think about in terms of the future. We now need a way to start them thinking about the future again. We manage the present, and as the country's administration we need to do it well. As political leaders we must map the future, and that is what Chile's politics are lacking.

[Camus] Do you share the opinion of Jaime Ravinet [mayor of Santiago and prominent PDC figure] that it is good to be where one can do things to better pave the road to Government House?

[Lagos] Political leaders must be able to both do things and participate in the debate. If one is just debating but is unable to do anything, then one is just a demagogue. If one is full of thoughts but cannot get down to do anything concrete, then one is an academician. If, on the other hand, one is simply doing things without a pattern, then opportunism and corruption are just around the corner. Thus, one must have ideas, plan for the future, and take care of the present. Without any one of these components no course of action is valid.

[Camus] Will you continue to plan your future while paving your way to Government House from the Public Works Ministry?

[Lagos] I am happy here building roads and bridges.

Colombia

President Discusses Meetings With Clinton, Lee Brown

PA2410202395 Santa Fe de Bogota EL ESPECTADOR in Spanish 24 Oct 95 p 6A

[FBIS Translated Text] New York (REUTER)—The presidents of Colombia and the United States, Ernesto Samper and Bill Clinton, respectively, yesterday held a cordial 15-minute meeting which could ease the tense bilateral relations.

"Clinton said he congratulated the Colombian people over what we had accomplished (regarding the drug struggle)," Samper told the press after a meeting with his colleague in the framework of the UN's 50th anniversary.

This is the first high-level meeting between Samper and Clinton, following the outbreak of the scandal on the alleged infiltration of Cali Cartel funds in the electoral campaign of the Colombian president and the attacks by officials from that Latin American country against the DEA.

Colombia's fight against drug trafficking was "one of the reasons that had inspired his speech (Clinton's) and he hoped we could continue to work together," Samper stated, referring to the U.S. President's speech to the United Nations.

Speaking before the United Nations, Clinton said that the problems of terrorism, organized crime, and drug trafficking in the post-cold war period threaten peoples all over the world, and he announced a series of unilateral actions to fight them.

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"What I believe President Clinton has said, in addition to recognizing that Colombia is the only country that has made effective accomplishments in this area, is that he will be tough in demanding that all countries control money laundering," the president indicated.

Samper also met briefly with Lee Brown, director of the Office of National Drug Control Policy, who "was very courteous toward the accomplishments of Colombia in this struggle." He added that Brown will visit Colombia in November.

Samper's Request

The Colombian president urged Clinton to impose on U.S. drug traffickers similar economic sanctions to those imposed against Colombian firms and individuals.

The measure "is a good start... and we are confident that the search for illicit money will continue not only in Colombia, but also in all countries," Samper remarked.

The problem of money laundering is "a typically international crime," the Colombian president warned.

"It is not enough to take action in one country, but action should be taken in all countries so that the measures can be effective," Samper affirmed.

"That is why we also expect a similar action here in the United States" against the properties and moneys of not only Colombian drug traffickers but also of individuals who "traffic" in the United States; we also hope similar actions be taken in other countries of the world, he added. [quotation marks as published]

Samper indicated he did not specifically discuss that issue with the U.S. President, but rather the general policy against drug trafficking.

The Colombian leader expressed that the relations with the United States are now "at a good level."

Asked if there are deliberate attempts from abroad to destabilize his government, Samper said that drug trafficking cartels "not only in my country but also in many countries" may have an interest in weakening the actions of his administration. "And this obviously generates resentment and animosity that may materialize in these acts to sabotage the government," he added.

Meeting With Chirac

Meanwhile, Samper yesterday held a meeting with his French colleague Jacques Chirac. Samper, in his capacity as president of the Nonaligned Movement [NAM], condemned nuclear testing in the South Pacific.

Samper told the press that the main point of his meeting with Chirac, in the framework of the 50th anniversary of the United Nations, centered on the nuclear testing in the Mururoa Atoll, in the South Pacific.

The condemnation of the French nuclear testing is supported all across Latin America and it was supported in the NAM summit held last week in Cartagena.

The Colombian president added he talked to Chirac about his proposal to hold a world summit against drug trafficking. "I think he was very receptive; he is very interested," Samper continued. He concluded by saying he is getting ready for an official visit to France in the first quarter of 1996.

President's UN Speech Targets Narcotrafficking

PA2510045495 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0145 GMT 25 Oct 95

[Speech by President Ernesto Samper Pizano at the 50th UN General Assembly session in New York on 24 October — recorded]

[FBIS Translated Text] Your most excellent Professor Diego Freitas do Amaral, president of the UN General Assembly, most excellent Butrus Butrus-Ghali, UN secretary general, messrs. presidents, chiefs of state and government, delegates, ladies and gentlemen: The celebration of the first 50 years of the organization is an excellent opportunity to look at the past and to plan for the future. A review of our history gives us lessons that we cannot ignore. Authentic multilateralism, that is, decisions based on the feelings of the majority, have permitted mankind to rid itself of some of its worst problems, such as colonialism, apartheid, and the nuclear arms race.

The Nonaligned Movement [NAM] in Cartagena de Indias last week celebrated its 11th summit meeting and Colombia assumed the presidency for a period of three years. The nonaligned countries ratified in Cartagena the validity of the NAM and its willingness to work actively to benefit the interests of the countries of the South. The relevance of our action is linked with the capability of the NAM to respond to questions of international policy of the nineties and to prepare to confront successfully the challenges of the next century.

It is true, as we all know, that the Cold War has ended, but poverty in the world has not ended, nor have environmental problems, which are turning the planet into a desert. The arms race has not ended either, and still circulates through the world like a phantom. The old ideological barriers have been replaced by new ones. There are commercial barriers of neoprotectionism, which restrict access of our products to industrialized markets. There are technological barriers, which isolate us from the necessary knowledge to develop ourselves. There

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are ethnic and religious barriers, in the names of which some continue to kill one another. In Cartagena, we reiterated our willingness to continue to struggle against those new barriers, which are opposed to our development, as was done yesterday by the unbreakable walls that divided two, apparently irreconcilable, political systems.

The problems that affect our people have acquired an increasingly multinational nature each day. Instead of accepting this as a new era of intervention, we should face it with a steadfast will of cooperation. The big challenge is born of the realization that the problems that unite us are marching at a pace far above the solutions that we should have agreed upon to overcome them. International solidarity is not only the best response, it is the only response. We need one another, because the solutions to the problems of the world can only be achieved through combined actions. One of these combined actions is that which we require to overcome the problem of narcotrafficking. Colombia has been the worst victim of narcotrafficking and the country that has combated it most successfully. The year 1995 will go down in history as the period of the most successful blows dealt to the drug cartels. The Cali Cartel, which has been subjected to justice, and the eradication of drug cultivations, has reached unprecedented levels. We dealt a death blow to 80 percent of the cocaine market, which is already being reflected in a drop in the price of coca paste—more than 10 times less—and a significant increase in the consumer prices. Whether or not these achievements permit us to advance in the struggle depends on the responsibility that the countries of the world assume.

We cannot continue in an endless process of responsibilities, each one trying to clear his own guilt with the guilt of his neighbor. We must understand that a business, which moves over $500 billion annually, cannot be confronted by a single country or by a single group of countries. Responsibility falls on everyone. The moment is now or never. U.S. President Bill Clinton was right in his speech on Sunday when he noted that the blows we have dealt to narcotraffickers have been the fruit of combined work. He was also right when he raised the necessity of tackling without timidity the problem of drug consumption and its relation to the increase in social crime. Colombia accompanies President Clinton in his war declaration on the drug money laundering and money produced by the drug market. Colombia is convinced that the success of these actions will depend on whether they can be specifically carried out multilaterally and not only in Colombia. The crime of money laundering, as a typically international crime, involves actors and conducts that must be prosecuted and punished in all countries. Let there be punishments of the financial systems of all parts of the world that, by act or omission, permit the contamination of their accounts with profits stemming from drug trafficking. Let there be sanctions of factories of all parts of the world, which knowingly sell chemicals used as precursor chemicals for the industrial processing of drugs. Let there be penalties for companies of all parts of the world, which facilitate the acquisition of durable or nondurable goods, or which promote the contraband of goods to producer countries to facilitate money laundering and to hide these evil profits and to companies that have the same condemnable purposes. Let there be reviews of the actions of the gambling houses, casinos, and lotteries of all parts of the world, through which the condemnable marriage between gambling and drugs is being permitted.

My country, which has paid such a high human and economic cost in this oftentimes solitary struggle, has been requesting the call of a world meeting against drugs, which will promote the unequivocal will of the producer, consumer, and distributor countries in the firm purpose of frontally attacking this plight. Almost 10 years ago we signed the Vienna Convention against drugs, in the hope that it would serve as an instrument to carry out a strategy of this kind. It was a great step forward, undoubtedly, but we are not satisfied. The consumption of drugs has extended increasingly to more countries, poisoning more youths. Colombia would feel the memory of the thousands of victims left by this long and bloody struggle honored, if the world agreed to make a sincere reflection on the necessity of an effective international cooperation to overcome the most important problem of the end of the century: the drug problem.

Mr. President, the creation of the United Nations 50 years ago sowed a seed of hope in all humankind, the hope of peace and progress, faith in peaceful mechanisms to attain a solution to controversies, and credibility in multilateralism to confront the most pressing problems of humankind. Today, we must think again of what we are if we want to know what we want to be. The Bible teaches us that a people without vision do not prevail. The task of the new system of the United Nations must be to recover that vision, so that we can continue to prevail as a civilization, as a democracy, as men with souls. Thank you very much. [applause]

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Prosecutor Views U.S. Counternarcotics Efforts

Praises 'Positive' Measures

PA2410190795 Mexico City NOTIMEX in Spanish 1704 GMT 24 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 24 Oct (NOTIMEX)—Colombian Prosecutor General Alfonso Valdivieso today asked the U.S. Government to "freeze" the properties of chemical precursor-producing companies used for processing drugs.

The official said that a large part of the responsibility for drug trafficking falls on companies producing chemicals used by the mafias, which must be attacked by authorities from all countries.

Valdivieso termed positive the measures of the U.S. Government, which seized the properties and bank accounts of 43 companies and 47 Colombians apparently connected to the Cali Cartel.

According to the prosecutor general, "the international community must make a great effort to prevent illegal moneys from affecting the capacity of society to overcome corruption promoted by the mafias."

Regarding the accounts and properties "frozen," Valdivieso affirmed that it was a very important action "because drug traffickers were getting used to spending a few years in prison and then getting out to enjoy their ill-gotten wealth."

The official spoke this Tuesday from New York with the local press. He expressed his satisfaction over the good moment Colombia is experiencing in the eyes of the international community regarding issues concerning drug trafficking.

Valdivieso leads an investigation on the alleged infiltration of drug trafficking moneys in the political campaigns of 1994 in Colombia, an affair that has reached President Ernesto Samper, investigated by Congress.

Samper must explain to the legislative body the origin of his campaign moneys which took him to power and, according to his former campaign treasurer, the fact he reportedly received approximately 5 billion pesos (shortly over $6 million) from the Cali Cartel.

Valdivieso explained that authorities are trying to verify if large sums of money indeed entered the campaigns of several candidates to different positions elected in 1994. He stated this investigation should get to the last consequences for the sake of the country.

Aside from the efforts of Colombia, the prosecutor general concluded, there must be an international commitment against the offenses that promote the drug trafficking business, like the trafficking of chemical precursors and the laundering of illegal assets.

Criticizes 'Unilateral' Measures

PA2410191195 Madrid EFE in Spanish 1631 GMT 24 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 24 Oct (EFE)—Colombian Prosecutor General Alfonso Valdivieso today, Tuesday, said that the U.S. blockade against companies connected with drug trafficking is a unilateral measure similar to Washington's embargo imposed against Cuba, Iraq or Libya.

Valdivieso recognized that such actions are important, but argued that the Government of President Bill Clinton should extend these measures to U.S. firms that produce chemical substances used for producing drugs.

One of the most important areas of the drug struggle is the control over companies providing these products, the prosecutor remarked in statements to Bogota media sources.

According to the high-ranking Colombian official, blocking commercial relations of the United States with companies allegedly involved in drug trafficking in this country is, from the conceptual standpoint, similar to measures the North Americans have adopted against other countries, such as Cuba, Iraq or Libya.

This measure is also unilateral, Valdivieso stressed, and reiterated that it is necessary that the United States continues the investigations and imposes severe measures on U.S. firms involved in the production of chemical products.

Clinton announced on Sunday a series of measures in the United States against the interests of the maximum Cali Cartel leaders, brothers Gilberto and Miguel Rodriguez Orejuela, as well as Jose Santacruz Londono and Helmer "Pacho" Herrera, also members of the criminal organization leadership.

Herrera, who has announced his prompt surrender to justice, is the only one of the seven cartel leaders who still remains at large.

The provisions of the U.S. Government also reach approximately 30 companies associated with the Cali Cartel, as well as 42 relatives, associates or persons related to the same drug organization.

The Colombian prosecutor stated that Colombian authorities did not deliver information to U.S. authorities on the Cartel led by the brothers Rodriguez Orejuela.

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On the list of persons associated by the U.S. Treasury Department with the drug trafficking organization appear citizens who are not being investigated in Colombia, Valdivieso concluded.

Deterioration of Ties With U.S. Affects Travel

PA2410182095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 23 Oct 95

[Report by Anna Cristina Bueno and Jessel Aparicio; from the "AM/PM Newscast"—passages within quotation marks recorded]

[FBIS Translated Text] [Bueno] A document published by the Colombian Travel Agencies Association blames the Colombian Government for the pressure that, it claims, the United States exerts on travelers from the two countries.

[Aparicio] The deterioration in Colombia's relations with the United States has now reached the tourists. According to the Colombian Travel Agencies Association, ANATO, the Colombian political crisis and Interior Minister Horacio Serpa's untimely "sounds like it is" comment [reference to DEA's alleged involvement in an international conspiracy against Colombia] unleashed a series of obstacles for travelers who wish to visit the United States.

[ANATO President Oscar Rueda] "Traffic from Colombia to the United States is being affected by difficulties that have recently arisen regarding the granting of visas at the U.S. Consulate in Colombia."

[Aparicio] The U.S. Embassy in Santa Fe de Bogota has been reduced by half, arguing budget problems, the number of vice consuls who grant visas; and this has increased the delays in services to the public.

A total of 150,000 tourists arrive in Colombia every day; 80,000 are Colombians who reside in the United States and 70,000 are U.S. citizens on business. This represents $150 million in revenues for the country.

[Rueda] "We hope the Foreign Trade Ministry, above all, will intervene because this is a heavy blow to Colombia's service exports. The number of passengers who usually come from the United States to Colombia has decreased given certain situations that have been affecting, intimidating, these travelers, who abstain from making their trip."

[Aparicio] ANATO questions the lack of clarity from the U.S. Secretariat of Transportation concerning warnings to passengers on conditions at El Dorado International Airport because they are too vague and they cause panic among travelers.

Congress Approves 1996 Expense Budget

PA2410194195 Santa Fe de Bogota EL TIEMPO in Spanish 19 Oct 95 pp 1B, 2B

[FBIS Translated Text] Congress approved the nation's 1996 general budget yesterday in a session that some conservative senators described as "shameful."

In a session that lasted more than four hours, the Senate's plenum approved the bill, which now must be sanctioned by the president. With congressional approval, the government will spend 24 trillion pesos next year, a little less than 50 percent of the country's annual production of goods and services.

The approval of the budget was not different from previous years. It was approved as a whole, without much discussion and several congressmen voted in favor under the condition that funds be allocated for regional projects, an action that many viewed as disguised "appropriations."

Jaime Arias Ramirez, president of the Conservative National Directorate, said that the approval of the bill was "shameful for Congress" because the same vices of the past were used. Proof of this, he said was the attitude of Senator Salomon Nader, who at the last moment changed his negative vote because the government assured him an additional allocation of 7 billion pesos for Urra as well as funds for the educational sector.

Deputy Planning Director Juan Carlos Ramirez, however, said those allocations are in no way congressional appropriations, which are banned by the Constitution, but merely educational funds transferred to the Atlantic Coast.

There Are No Appropriations

The Senate's plenum protested the attitude assumed by the plenum of the Chamber of Representatives, noting that the Senate practically had its hands tied when approving the budget.

Conservative Senator Enrique Gomez Hurtado said that the same show is repeated every year because the modifications introduced by the government are known 24 hours before the debate, which does not allow an adequate discussion.

The 1996 expense budget is 35 percent higher than this year's. Out of the 24 trillion pesos, 12.6 trillion will be for operational expenses. Most of those funds, 8.7 trillion pesos, will be transferred to regional governments. According to the constitution, the amounts transferred will increase each year.

Another allotment, for 5.1 trillion pesos, will be earmarked to pay the country's foreign and domestic debt.

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Regarding this issue, some senators expressed their concern over the 72 percent increase in the country's indebtedness. They asked the executive branch to exert stricter budget controls in order to prevent having to finance expenses with more debts.

Congress approved 6.3 trillion for investments, which will be assigned for infrastructure projects, strengthening the armed forces and justice, as well as for the environment, science and technology, and agricultural sectors.

The package will be financed with current revenues, taxes, privatizations, and domestic and foreign credits.

An allotment of 426 billion pesos was conditioned to the approval of the tax reform bill. Should the tax reforms not be approved this year, the government has committed itself to reduce the 1996 budget by that same amount.

National Budget Expenses (in millions of pesos)

Purpose	1995	1996	Diff. (%)
Operating expenses	10,454,698	12,606,941	21
Personal services	2,265,388	2,753,937	22
General expenses	811,611	984,740	21
Transfers	7,248,028	8,712,740	20
Running expenses	129,671	155,525	20
Total debt service	2,981,955	5,132,257	72
Total investment	4,300,510	6,268,760	46
Total	17,737,163	24,007,958	35

Source: Budget Directorate

Court Orders Former Police Chief's Reinstatement

PA2410185695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 23 Oct 95

[Report by Gloria Cecilia Gomez and Oscar Galvis from the "AM/PM Newscast"—passages within quotation marks recorded]

[FBIS Translated Text] [Gomez] The Cundinamarca Administrative Court stated something very specific when it ordered Colonel Victor Hugo Ferreira's reinstatement in the National Police: Ferreira will become the senior officer and he will have the right to become director general.

[Galvis] Eight years ago Police Colonel Victor Hugo Ferreira revealed that some generals and colonels had ties with drug traffickers. He was removed from the corps based on the argument that he was mad.

[Reporter] "Who are the Police generals you accused of having ties with oldrug traffickers?"

[Ferreira] "Former General Guillermo Medina Sanchez and former Police Director Octavio Vargas Silva."

[Galvis] The Cundinamarca Administrative Court not only ruled that former Col. Ferreira Avella was not mad but also that he has an intellectual quotient that is found in only four percent of the Colombian people. The court not only orders the payment of eight years' worth of salaries and bonuses; it also demands that he be reinstated with the rank of major general in the Police. This makes him the corps senior officer.

[Reporter] "What post would you have once you are reinstated in the Police corps?

[Ferreira] "National Police director general.

[Reporter] "Due to seniority or what reasons?

[Ferreira] "Based on the promotion roster, seniority, and because I believe I have the capability to do so."

[Galvis] Col. Ferreira's lawyer was assassinated but the former officer did not give up his struggle. The proverb has become true: The wheels of justice turn slowly but surely, and in the end justice is served.

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Ecuador

President Accepts Resignation of Energy Minister

PY2410174995 Quito Voz de Los Andes in Spanish 1700 GMT 24 Oct 95

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen has accepted the resignation of Energy and Mines Minister Galo Abril Ojeda.

Galo Abril, according to a decision by Duran-Ballen, will now be secretary general of the National Development Council [Conade] to replace economist Marcela Cartagena de Proano, whose resignation has also been accepted.

This changes a part of the cabinet reorganization announced by the Ecuadoran Government.

This is the contents of a brief press note issued by the government palace press room.

I repeat: The president of the republic has accepted the resignation of Energy and Mines Minister Galo Abril, who will replace economist Marcela Cartagena de Proano as Conade secretary general. This information was issued a few minutes ago here at government palace.

Deputy Responds to Armed Forces Suit, Charges

PY2410102395 Quito Voz de Los Andes in Spanish 2300 GMT 20 Oct 95

[By Loira Carriel]

[FBIS Translated Excerpt] Ecuadoran Independent Deputy Fernando Larrea could be sentenced to life imprisonment should he be found guilty of treason to the fatherland.

Larrea does not fear the military suit the Armed Forces have filed against him for supposed treason to the fatherland. Larrea claims that his denunciations in an interview granted to a radio station in Porto Viejo were not against the Armed Forces but against certain officers, and if a suit is filed, then he will reaffirm his denunciations. Larrea hinted at an illegal weapons purchase deal during the armed conflict with Peru.

[Begin recording] [Larrea] I will not defend anything that is not my right. But this is categorical: I will defend my right, the right of an Ecuadorean and of a citizen. I am not going to be intimidated by anyone. No one, at this time of my life, is going to gag me. And those who believe that, with certain attitudes, I will be scared are mistaken. I am not scared because I believe we still live under a constitutional regime, a constitutional state of law in which things must be respected, because otherwise, where are we going to end up? I insist that in a given case I can say, in addition, that if a general feels offended, then he should also tender his resignation so that we can see each other in a trial on an equal footing.

[Unidentified reporter] [question indistinct]

[Larrea] That is not the problem. The problem is not immunity. I can tell you that even if Congress lifts my immunity, no one except the president of the Supreme Court of Justice can bring charges. He is the only one who could file suit against any of the 77 deputies. And why would I or the country allow something which is not allowed by the Constitution?

[Reporter] And what would happen if the military decides to take this option to sue you to the Supreme Court of Justice?

[Larrea] We both will have to face trial. Of course things cannot be done incorrectly, and of course I will also have to tell my truth. And if those who are behind this do not care about the scandal that could be unleashed in the country, a scandal that by no means will benefit the country, of course I am not going to remain with my arms crossed....

[Several questions posed simultaneously indistinct]

[Larrea] The truth will be known at the moment of the trial.

[Reporter] Is there some kind of weapons deal, Deputy?

[Larrea] You said it, not me. [end recording]

Deputy Larrea trusts that the Ecuadoran Congress will not lift his congressional immunity and that the military trial will not proceed because it would violate the national Constitution to file suit if the congressional immunity of a congressman is not lifted. [passage omitted]

Solutions for El Oro Crisis Viewed

96P20039A

[FBIS Media Note] The Ecuadoran Government, under President Duran-Ballen's Economic Emergency Decree for EL Oro Province, has proposed a package of measures to solve the economic crisis of this border province; an economic crisis exacerbated by the conflict with Peru earlier this year, reported Quito EL COMERCIO of 23 September. The measures, announced by the Machala Chamber of Commerce president Numa Ramirez B ·jarano, include the freezing of the price of cooking oil for one year, starting 1 September 1995, the issuing of a 20- billion-sucre line of credit from the National Financing Corporation (CFN) to restructure liabilities during a grace period of seven years, and the establishment of a new 4-billion-sucre line of credit

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from the National Development Bank (BNF) for the province's productive sectors.

Peru

Fujimori on Andean Pact Summit, Duran-Ballen Visit

PY2510014995 Madrid EFE in Spanish 1856 GMT 21 Oct 95

[FBIS Translated Text] Quito, 21 Oct (EFE)—Speaking to a Quito radio program, Peruvian President Alberto Fujimori stated today that the Andean Pact summit in Lima has been moved up to March to facilitate the visit to Peru of Ecuadoran President Sixto Duran-Ballen.

"The current climate of relaxation and good will is so good that we Peruvians decided to hold the Andean Pact summit earlier to prevent (Duran-Ballen) from having to make an express (official) visit to Peru; rather, he can make one within the framework of the summit," Fujimori said.

He explained that in this manner Duran-Ballen will not necessarily have to make another official visit, but only one within the framework of the summit, which will be held in March. "This shows the feeling of peace, friendship, and good neighborliness" between the two nations.

In a Latin American Radio Broadcasting Society (Solar) [Sociedad Latinoamericana de Radiodifusion] program, broadcast in Ecuador by Radio Quito, Fujimori expressed thanks for the warm welcome he received in September 1995 in Ecuador, "despite the difficult circumstances" the two nations have experienced with regard to the territorial conflict.

Early in September Fujimori participated in the summits of the Rio Group and of the Cartagena Agreement, six months after Peruvian and Ecuadoran troops waged an undeclared war along a stretch of their Amazon border where there are no border markers.

Referring to the pacification process, the Peruvian president said that "good progress has been achieved concerning the first five points of the peace agreement of Itamaraty" (Brazilian Foreign Ministry, where the agreement was signed), signed on 17 February 1995 and ratified on 1 March in Montevideo.

"We now have left the most difficult part, which is the sixth point of the Itamaraty Peace Declaration," he said, referring to the direct talks between Ecuador and Peru for the purpose of definitely concluding the border issue.

He said that the foreign ministers' contacts are "very positive" and that in principle, those talks are held in a "very frank and open manner, placing all elements on the negotiating table."

He added that the first agreement reached is that a timetable be prepared with the issues that must be openly discussed, "to try to overcome the minor problems first and then to gradually discuss the more complicated points."

He said that much progress has been achieved in the negotiations, always within the framework of the Rio de Janeiro Protocol, a 1942 agreement that established the borders between Ecuador and Peru, which the Quito government later declared "null and not applicable," although now it only maintains the second part of that position.

"We know that (the solution to the territorial conflict) will take some time. It will not be overcome in a short period of time," the Peruvian president said.

According to Fujimori, the formal and informal contacts among officials of the two Andean nations have helped "pave the way" for the visit next year of Ecuadoran Foreign Minister Galo Leoro to Lima.

Uruguay

Sanguinetti Invites Spanish Royal Couple To Visit

PY2410231395 Madrid EFE in Spanish 1822 GMT 23 Oct 95

[FBIS Translated Text] Montevideo, 23 Oct (EFE)—Foreign Ministry sources today confirmed to EFE that the president of Uruguay, Julio Maria Sanguinetti, has invited the king and queen of Spain, Juan Carlos and Sofia, to pay an official visit to Uruguay.

The invitation was issued at a meeting that the Uruguayan president held with King Juan Carlos during the Fifth Ibero-American Summit of Heads of State and Government in the Argentine city of San Carlos de Bariloche last week.

The Spanish king and queen were invited to visit Uruguay by the previous administration, headed by former President Luis Alberto Lacalle (National or "Blanco" Party, 1990-95), who was replaced by Sanguinetti (Colorado Party) on 1 March 1995.

A date had not been set for the Spanish royal couple's visit, and the visit was delayed because the relations between Madrid and Montevideo cooled after the Uruguayan courts rejected the extradition of five Spaniards who allegedly were members of the ETA [Basque Homeland and Liberty] terrorist organization, and despite the fact that the extradition of three other ETA members had been approved.

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Afterward, relations between the two countries improved, and President Lacalle and his wife were invited by the Spanish king and queen to rest for two days in Palma de Mallorca during their tour of Europe.

Juan Carlos and Sofia paid an official visit to Uruguay in May 1983, during the military regime that governed Uruguay from 1973 to 1985.

During his visit to Montevideo, the king of Spain advocated the restoration of democracy and met political leaders who had been proscribed at that time, including the current president.

Cuba's Economic Opening Drive, Woes Analyzed

PY2410181095 Montevideo LA MANANA in Spanish 14 Oct 95 p 4

[Editorial: "A Play on Words"]

[FBIS Translated Text] Amid a veritable controversy over the timeliness and inadvisability of Fidel Castro's state visit to Uruguay and over what gain could be derived by receiving him, one clearly sees that the political intention of the "image-builders" of the bearded leader who has been entrenched in power for more than 35 years was to conceal the failure of the supposed people's policy and the grievous plight into which Cuba and its people are plunged.

The Cuban Government has been proclaiming from the housetops—as a smokescreen—that Cuba is suffering a blockade. It therefore, deliberately refuses to call a spade a spade and to refer to the measure enforced on the island by the United States as an embargo.

Undoubtedly, the measure imposed and enforced by the United States is not a blockade but rather an embargo on trade with Cuba, which will in all likelihood be stiffened in the near future if the U.S. Congress approves the amendment proposed by the Republican Party.

Cuba's current accounts in the United States have been blocked; so have businesses with the island and all undertakings in Cuba.

A blockade means, in the strict sense of the word, to prevent everything from getting in or out from or to the United States, but it does not preclude Cuba from conducting business with third countries. Cuba and all the other countries may do so.

Nevertheless, the fact of the matter is that one must command financial resources to conduct business, procure purchases, and boost production. Cuba is penniless because the artificial paradise built by the toil of the people is a sham. It is nothing but a regime in which complete power is wielded by the upper echelons of the so-called Revolutionary Army.

Until the very crumbling of the socialist and communist world, both the former USSR and the Eastern Bloc propped up the Cuban dictatorship and its confrontation policy vis-a-vis the United States with handsome flows of dollars and fuel and with the purchase of raw materials only because it served their own interests. None of them was really moved to help the Cuban people, which lived—as it does now—shackled by a tyrannical regime and rationing.

The so-called opening drive announced by Castro is but a semantic legerdemain that hides another reality—the niches in which foreign investment is allowed on the island, namely tourism, entertainment, and some nascent industries, are controlled by the highest ranking officers of the Cuban Army as a result of Castro's use of his powers of patronage to ensure the permanence of his presidency and the subjection of every popular criticism, which was bound to emerge unless it was quashed by the armed wing of the regime.

As we have already pointed out, Spanish, Canadian, and German capitals, among others, have flowed into the island to invest in the aforementioned niches establishing "mixed corporate enterprises" controlled by the topmost leaders of Castro's regime.

Deaf confrontations, although they are not any the less rude, mark the economic and capitalist world that has began to reemerge in Cuba with Castro's acquiescence, of course. Nevertheless, a sword of Damocles is hanging over the future of all these businesses, namely the "Helms-Burton" amendment, which has already been voted through in the U.S. House of Representatives and is currently under discussion in the Senate, which, if enacted, may very well thwart all the undertakings of the Cuban regime in a move to project a new image to the world.

And yet, as we said before, it is only a play on words.

Venezuela

President Supports Health Minister, Swears In Replacement

PA2410181195 Caracas Venezolana de Television Network in Spanish 0200 GMT 21 Oct 95

[Report by Pedro Prado; from "The News" newscast—speakers identified by caption]

[FBIS Translated Text] Although Congress approved a vote of censure, the executive branch has endorsed suspended Health and Social Welfare Minister Carlos Walter.

After deploring the parliamentary sanction against his health minister, President Rafael Caldera proceeded

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to swear in Roberto Rondon Morales as head of the ministry.

Initially, the new health minister will seek a rapprochement with political sectors, although he believes he should continue with the policies implemented by Carlos Walter.

[Begin Rondon recording] What we need to do is to continue the process of reforms that began in the ministry with the decentralization of services to the local governments. This has been applied in three states. We must restructure the ministry at the central level so it can assume the pertinent political roles and corresponding controls, evidently very important electoral factors. We hope that after 3 December, all the events that prompted this decision will have disappeared, and that no other reasons in the future could make another health minister be censured. [end recording]

OCI [Central Information Office] Minister Fernando Egana also believes that the Congress measure has no legal framework, but has a well-defined political objective. He was emphatic in endorsing Walter's work.

[Begin Egana recording] Health Minister Carlos Walter has been a great minister. He has been a very competent, and honest man, who has fought head-on against corruption and cliques embedded in that ministry. [end recording]

We asked Egana if this decision by Congress of punishing former minister Walter was not intended to weaken the executive branch, but his answer was limited to saying that he had no comments on that particular issue.

Cabinet Approves Foreign Exchange Flow Decree

PA2410234395 Caracas Venezolana de Television Network in Spanish 0200 GMT 19 Oct 95

[From "The News" newscast]

[FBIS Translated Text] The cabinet has approved a decree establishing new ways of facilitating the flow of foreign exchange the exchange system needs:

[Begin Fernando Egana, Central Information Office director, recording] First, authorizations for acquiring foreign exchange for importing purposes will be approved as follows: Thirty percent will be approved once the shipment has been imported, and the rest will be granted in two equal installments 90 and 120 days after the importing.

Imports that have not been paid but that will arrive when the current decree is in effect will be paid in the terms established at the moment the corresponding authorization was issued. [end recording]

Second, foreign exchange requests to permit import payments will be conditioned to rules to be set by a committee composed of the Finance, Development, and Agriculture and Livestock Ministries and the Foreign Trade Institute.

Third, the Exchange Board can authorize the granting of foreign exchange based on views different from those established in this new decree as long as the authorization is for the import of supplies to elaborate scarce staples.

Fourth, if foreign exchange is sold within the framework of ALADI [Latin America Integration Association] to import $5,000 or less worth of products, this sale will not be affected by this new decree:

[Begin Egana recording] The people can rest assured that we have enough resources to satisfy the basic needs of the country's economy, and this plan facilitates the flow of foreign exchange in the economic system. [end recording]

This new decree establishing the flow of foreign exchange in the national economic system goes into effect 26 October.

Egana has admitted that the approval of foreign exchange sales for importing purposes was higher in 1995 than last year.

Minister Asks for Investigation of Pension Fund Fraud

PA2510035695 Caracas Venezolana de Television Network in Spanish 1545 GMT 24 Oct 95

[From "The News" newscast]

[FBIS Translated Text] Before responding to questions by Congressmen on the future of public university education, Education Minister Antonio Luis Cardenas asked the prosecutor general to investigate an alleged fraud discovered in his ministry's pension fund. Cardenas said today official documents have apparently been counterfeited in order to arrange pensions and to claim benefits.

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